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JAPAN AMUSEMENT MONTHLY

J.A.M

SPECIAL REPORT

The 30th Annual JAMMA Show at Tokyo's Makuhari Messe

SPECIAL INTERVIEW SERIES

- I. Mr. Isao Tsukamoto, President, Kaga Electronics
- II. Mr. Hideaki Yamanaka, President, Matahari
- III. Mr. Nobuteru Osada, Managing Director, Tecmo

WORLD UPDATE

Canada - Karaoke Does The Maple Leaf Rag

BACK STAGE

Mr. Masao Kamijo, General Manager, Product Planning Department, Sony Corporation



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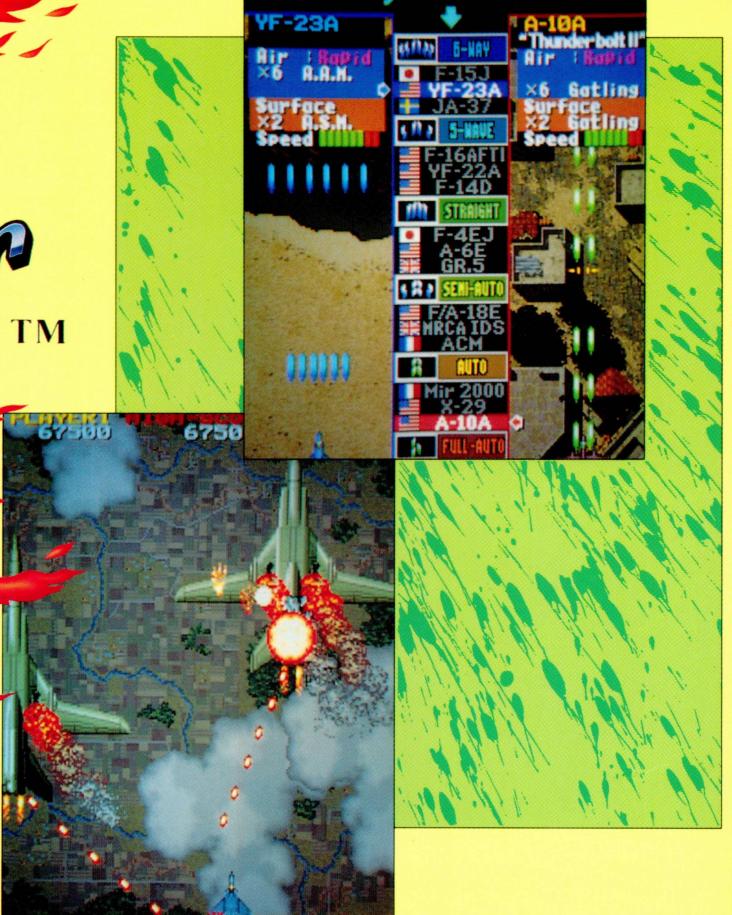
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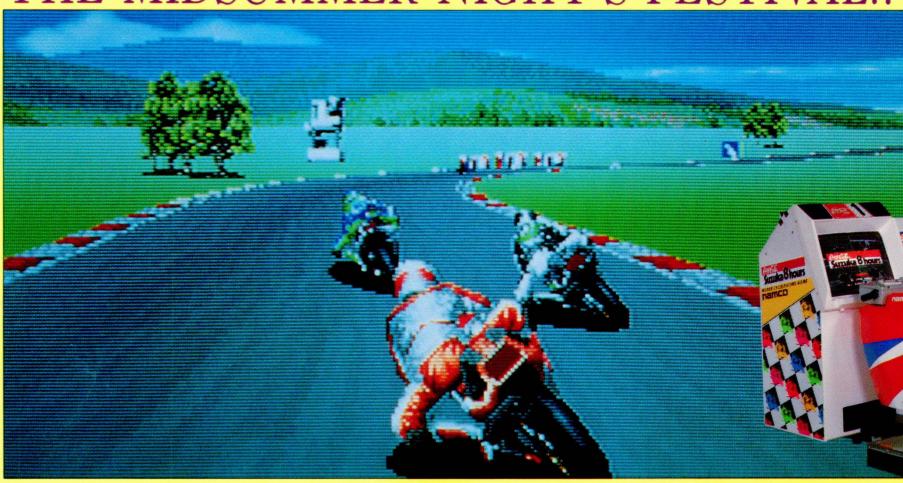
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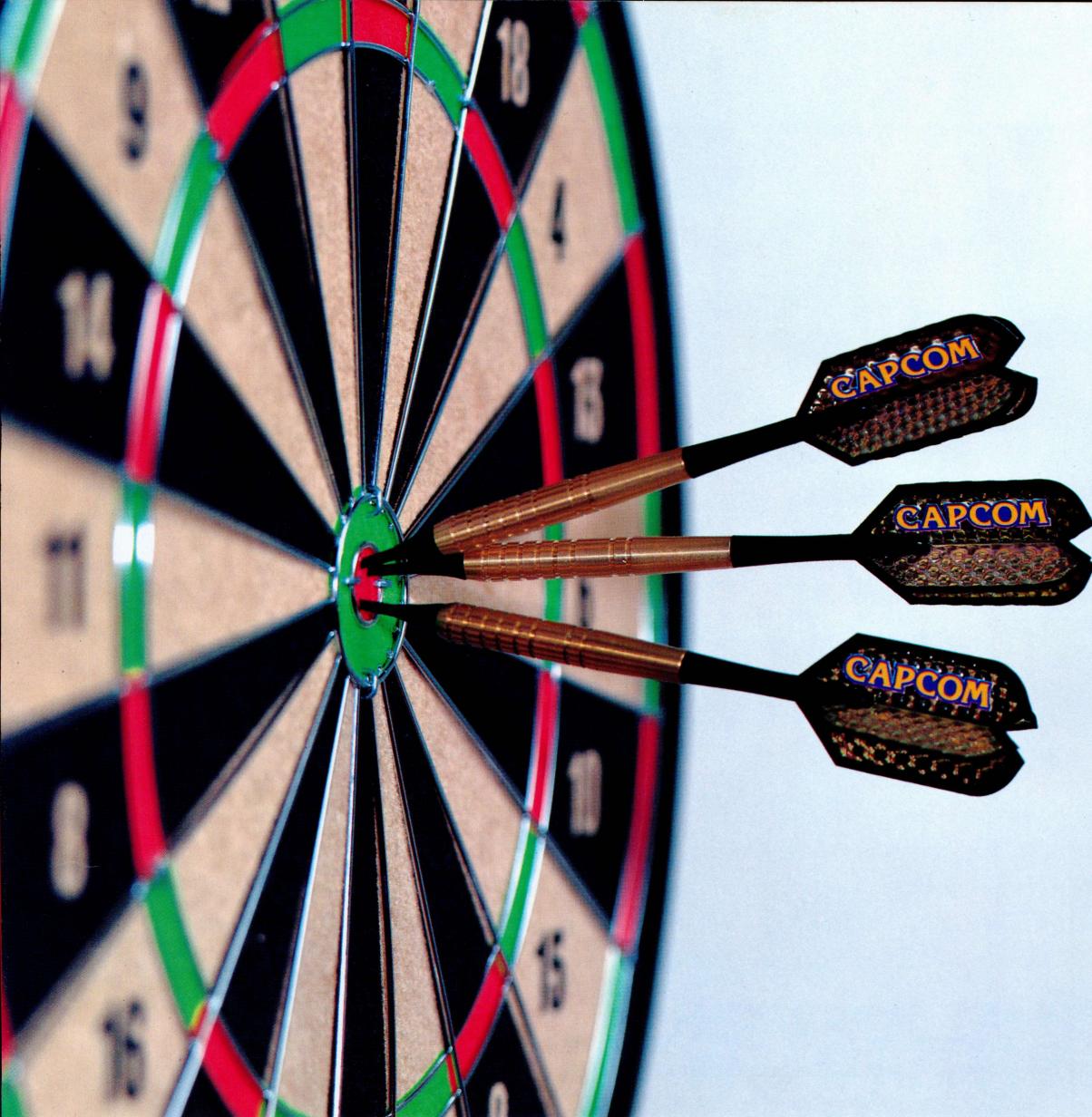
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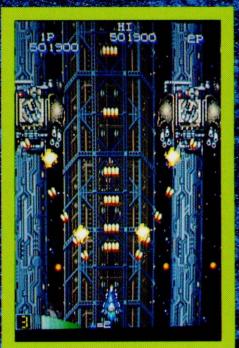
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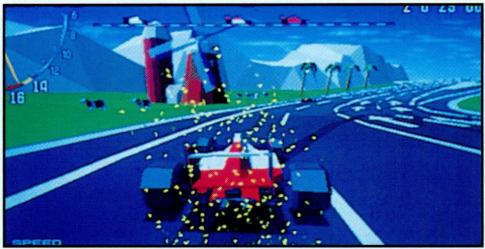
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FROM THE EDITORIAL ROOM

TO OUR READERS:

The 30th AM show, the subject of this month's *Special Feature*, has come and gone. The results? That, to a great degree, depends on who you ask. In general, the attitude among the major exhibitors was one of cautious optimism. Unlike last year, when the industry was in the midst of the crane game boom, there was no one trend that dominated the floor. Nevertheless, it is obvious that certain game formats, such as token and fortune-telling games, continue to increase in popularity. A number of companies, led by Towa and Sunwise, displayed fortune-telling games that were aesthetically pleasing as well as technologically advanced. The company that offered perhaps the biggest surprise was SNK, whose 110 booths were second only to Sega (120). Who says video is dead?

The major players, as well as the industry as a whole, had reason to be optimistic. Unlike other sectors of the economy, the coin amusement industry continues to perform well in the face of a world wide economic downturn. Companies such as Sega and Taito continue to invest in R & D for Virtual Reality projects and new games. The number of integrated amusement complexes, the "super arcades" such as Taito Inn and Wonder Eggs, continues to increase, despite the fact that value of land has greatly dropped and most Japanese banks are now calling in many of their loans, made in

the late 1980s when credit was cheap. Mr. Hayao Nakayama, the new chairman of the Japan Amusement Machine Manufacturers Association (JAMMA), in a special press conference, mentioned that he even felt a little guilty that this industry continues to do well when others are suffering.

The second day brought with it the news that the Ministry of Finance was going to adopt a 9 point plan to revive the stock market and boost confidence among investors. A few days before the start of the show, the Tokyo Stock exchange had plunged to its lowest level in many years. After the government announced its plans, the market rebounded somewhat. This was undoubtedly good news for Sega and Namco, among others, who are publicly listed. Although obtaining investment capital is no longer as easy as it was a few years ago, it seems that many of the changes initiated over the last few years, including expansion of existing locations, and the construction of high tech, modern arcades, will continue for some time.

The show was a public relations success. This year, there were a large number of non-Japanese visitors, most notably from Europe and America. Although some grumbled about the inconvenient location of the Makuhari Messe (about 1 hour from central Tokyo), most people that we talked to said that they were happy to see the

The 30th Annual AM show proved that, despite economic hard times, the amusement industry remains healthy

show moved to a larger venue. Some visitors also commented that it was obvious that Japanese market is very healthy compared to their home country but that some of products and marketing techniques would probably not succeed in their own countries due to cultural differences.

Finally, this show marked the first time that AAMA, AMOA, BACTA and JAMMA officials all had the opportunity to sit down and talk to each other about a variety of issues that affect the industry on a world wide level. In a series of meetings, officials strove to secure cooperation on a number of issues, most notably the copyboard problem. Judging from the August 27th meeting, though, it is obvious that there are still some major differences to be worked out. JAMMA has its own set of interests, as does the AAMA and the AMOA. In addition, each organization has its own ideas on how to best handle the problems that affect the industry. It is our hope that both sides will be able to come to terms with the copyboard problem, among others.

As we head into October, we are looking forward to being at the AMOA show in Nashville, the ENADA show in Rome, and the FER show in Barcelona. We hope to have the opportunity to talk with as many of you as we can and hear your views on how the industry is progressing in your respective countries. ■

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THIS MONTH'S COVER

VIRTUA RACING

SEGA

Race fans got a special treat at the JAMMA show in Tokyo this past August. One of the more popular games was the Virtua Racing from Sega Enterprises. Their new VR racer offers players a choice of four modes and three courses to choose from. For more information, on this game, please consult this month's "What's Out" section.



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No.2

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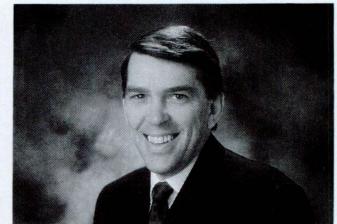
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EXCHANGE RATE All monetary figures in this month's issue are based on an exchange rate of Y126 = US\$1.00



Feature



JAMMA Show Interview



World Update

BMB AUTOCHANGER KARAOKE CD-100A/ CD-100M

PIONEER

Two special units for you this month. The CD-100A is an auto change CD player that has a multitude of functions and the CD-100M is a CD programmer that can control the order in which karaoke CDs are played.

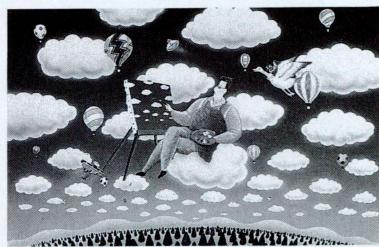


Illustration by: Shinji Soga

This month's cover celebrates the coming of autumn in Japan. With the coming of the cooler season, the weather becomes clear and much of the haze that accompanies summer dissipates. This is also a time of year when many people try to get out and enjoy the outdoors before winter sets in.

The 30th Annual AM Show

August 27th - 29th, 1992

Makuhari Messe, Tokyo

/// FEATURE

*By Eric Johnston,
John Lawrence,
and Carl Freire.*





The Show's Opening Ceremonies on August 27th.



25,000 Over Three Days

This year's show was held at the Makuhari Messe (Japan Convention Center), a sprawling concrete convention center in Chiba prefecture, about one hour east of Tokyo. The AM Show occupied three conference halls for an overall floor area of 20,291m². This was almost double the floor space of last year's show. 52 companies in all displayed their products at 1,190 booths, also around double last year's figure of 542 booths. The show was sponsored by the Japan Amusement Machine Manufacturers Association (JAMMA) with the support of the Ministry of International Trade and Industry (MITI), the *Nihon Keizai Shimbun* (Japan's leading financial daily) and the Leisure Development Center. This was the first show under the leadership of new JAMMA Chairman Hayao Nakayama, who recently assumed the post after Mr. Masaya Nakamura retired.

Attendees, not including those in the exhibition booths, numbered 10,561 the first day, 7,439 the second and 6,541 on the third, for a total of 24,541. Compared to the 1991 show, when a total of 14,738 people attended, it is obvious that the AM Show is now one

of not only Japan's, but also the world's, major coin machine shows. The only disappointing aspect of the show, from the point of view of the organizers, was the third day's attendance figures. Around 500 people were in line when the gate opened at 10 a.m., and around 10,000 to 15,000 people had been expected, as this day was open to the general public. Although no clear reason was given by the show's organizers for the lower than expected turnout, the inconvenient location and the outdoor distractions provided by the good weather may have been contributing factors.

Many people have commented that, more so than America or Europe, the Japanese market relies on video games as the mainstay amusement form, and there were indeed a large number of such games on display. According to figures released by JAMMA, a total of 2,634 machines, almost half (1,063) were video games. The biggest surprise for some, though, was the 437 token games on display. As we have seen, more and more adult-oriented arcades/amusement complexes are opening up in Japan, and token games are expected by many to play an ever larger role in the development of the industry. On the other hand, prize/redemption games, all the rage at the ACME show and an important part of the American market, have not yet become as popular here as elsewhere, as only 261 such games were on display. There were some companies, such as Atlus and Irem, that said they plan to put more emphasis in this area, however. In addition, pinball, which enjoys success in both America and Europe, still accounts for a only a small share of the Japanese market. Only 24 pinball tables were on display.

Other items included fortune-telling games (55 units) and small and large scale kiddie rides (68 units). Perhaps the most surprising addition for some was the



New JAMMA Chairman, Mr. Hayao Nakayama, during a press conference.

F E A T U R E



If looks could kill . . .



Once a classic, always a classic.

large number of amusements for outdoor theme parks such as Tokyo Disneyland. One may think that the coin op industry and the theme park industry are almost entirely unrelated and would not be interested in displaying at each other's show, but the two industries continue to draw closer in many regards, and this year saw such companies as Togo, Hope, Masago, and Tasko all exhibiting their latest additions.

The larger manufacturers who exhibited included Sega, Taito, Capcom, SNK, Jaleco, Namco, and Konami. All occupied at least 50 booth spaces. SNK in particular occupied a larger number of booth spaces than in previous years, proof of the success of the company's NEO GEO MVS system. Other companies such as Data East, Banpresto, Togo, Sigma and Tecmo also occupied a significant number of spaces. If token games and adult-oriented amusement complexes catch on to the extent that many in the industry believe, Sigma, with its large number of token payout machines, stands to gain significantly.

A year ago, the crane game boom was in full swing and any number of companies exhibited crane games and related prizes. Over the past year, this boom has abated somewhat, and there didn't seem to be as many crane games this year as last. Yet prize machines, as mentioned above, increased. It seems that the prize game market is expanding beyond traditional crane games, and this trend is expected to continue.

Let's now take a look at both the exhibitors and some of the exhibited products. Space does not permit a listing of all items; we will do that in the November issue. Rather, we shall provide highlights of action both on and off the convention floor.

The layout of the floor was set up so that kiddie ride/large-scale amusement machine manufacturers were on one side and the more traditional game man-

ufacturers were on the other. On the former side, Togo had set up a large booth, and was displaying a number of amusement and carnival games. *Super Perfect Bowl*, and arcade-style bowling game, *New Taxi*, a kiddie ride, and *Rolling Egg*, an arcade game were on display. In recent years the company has continued to expand their product line, although their main businesses are still kiddie and theme park rides.

Tasko Corp. also had a number of traditional carnival style games on display including *Basket Stadium II*, a basketball shooting game, *Western Darts*, *Kangaroo Wheel* and *Dragon Fire*, a shooting game. Hope Corp. had a number of kiddie rides and attractions, including *Western Land*, *Fire Patrol*, and *Fantastic Merry*, a merry-go-round for kids.

Those who remember the fun of the county fair would have no doubt appreciated the Midgety Manufacturing booth. *Friend Frogs*, *Bazooka Ball*, and *Can Alley Game P* were some of the old-style carnival attractions that drew a lot of attention, especially on the third day. On the other side of the Midgety booth was Masago Industrial, whose products are sold under the "Kidz Factory" name. On display were such kiddie rides as *Kitchen Crash*, *Pear 'O' Wave Star* and *Flying Elephant*. What was catching many people's eyes, though, was the *Rock 'N' Juke* ride. This jukebox-shaped ride spins you around like a record for a "rock and roll" experience you won't soon forget.

There were many smaller companies clustered in the far left corner of the convention hall. Many of them displayed products that had been seen at both last year's JAMMA show at the Ryutsu Center and the AOU show this past February. Taiyo Jidoki, a producer of small carnival games, had their *Top Shooting* and *Round Slot* games on exhibit, both of which were seen this past February. A new addition was *Licca-chan no Uranai Denwa*, a cute mechanical-video interactive game where players can talk to a young girl, named



An invitation to enter a land of make-believe.



Crystal Fortune helps your future!

Licca-chan, to find out what the future has in store. Kato Manufacturing, Nippon Conlux and Komaya also had small booths on the outer perimeter. Kato's booth contained several games of chance, including children's games such as *Pao Pao Slot*, a game where players have to line up comical elephants of the same color. Also on display was *Lucky Doll*; a pachinko redemption game for an older age group. Next to Kato was Nippon Conlux, a manufacturer of coin and bill control systems. The company displayed their validator, acceptor and dispenser series.

Video Systems, which has been flying high with *Sonic Wings* (*Aero Fighters*) all year long, wasn't resting either. In cooperation with Human Entertainment, the company displayed the *Crystal Fortune* fortune-telling game. Although this game is similar to others in that all of the machine's wizardry is on a computer chip, the wit and wisdom of the prophecy is guided by a human mannequin dressed as a gypsy fortune teller.

Komaya is a small manufacturing concern based in Kobe. At last February's AOU show, the company exhibited only about three or four games. One was *Sauros Cannon*, the hit game where two players must fire ping-pong balls at each other from opposing ends of the playing field using pink and blue dinosaurs mounted on "tanks" that can be moved from side to side. Another attraction was *Ahiru no Yoidon*, a derby game with a twist. As opposed to other racing games that feature horses, Ahiru uses ducks. Up to four players at a time can go quackers betting on which web footed speedboat can cut through the blue oval slot course the fastest. If you lose, just don't cry foul.

The first thing that greeted visitors to the Data East booth was a large four screen monitor that featured scenes of DE's games in action. Inside the booth, Data East Pinball unveiled *Lethal Weapon 3* to an enthusiastic audience, with players queuing up five deep for a chance to play. Other games from Data East that were well received included *Diet GoGo*, a comical action stage game where players must flatten up the bad



A Sunday drive in the park . . . VR style.

guys, and *The Great Ragtime Show*, a new shooting action game similar in tone to an "Indiana Jones" movie. *Twilight Spread*, the Digital Video Interactive (DVI) tarot reading game that first appeared at last February's AOU show, was once again displayed. On the third day of the show, we saw twelve people standing in line to have their fortunes told.

Capcom was once again the showman of the exhibition. Inside their neon lit, 100 booth space exhibit, a virtually limitless array of *Street Fighter II: Champion Edition* and *Warriors of Fate* fighting games were exhibited. Although *SFII: CE* was released earlier, *SFII* hasn't been officially pulled by Capcom, creating one of the strongest game duos in the industry's history. In many arcades around the nation, both versions of *Street Fighter II* consistently rank one-two in earnings. There was one *Mad Dog McCree*, the wild western video interactive shooting game that has drawn impressive crowds at many different trade shows, on display. Last but not least, *Bowlingo*, the mini-bowling game, was also set up.

Capcom Gave Visitors A Song and Dance

Capcom went all out to give visitors a full-scale production. The bright blue and yellow semi-circular stage, set up in front of a bank of 16 video screens and flanked by two authentic F-3000 race cars, was the scene of Capcom-sponsored special events, ranging from interviews with F-3000 drivers to a jazzercise demonstration. Capcom also displayed their own action games in a variety of in-house cabinets, such as the Captain IV stereo console, the Mini-Cute, a small game cabinet only 500mm wide, and the Status 25, a cabinet that can hold a 25 inch monitor. Also, despite the fact that most in the industry believe the crane game boom has peaked, two *UFO Catcher* games, filled with various plush toys and trinkets, were on display as well.

F E A T U R E

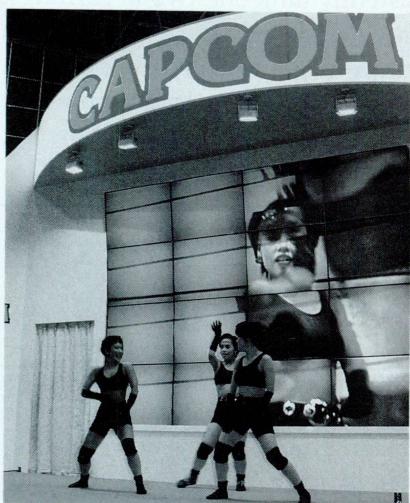
Namco's booth, by contrast, relied much less on hype. While most areas of the 80 booth space exhibit were filled with those who were curious about Namco's newest games, there were three distinct sections that attracted large numbers of people. One was an area devoted to Wonder Eggs, the company's central Tokyo amusement park [see JAM, May, 1992-Ed.]. Here, a special stage was set up where performers offered the audience a variety of old and new style entertainments, lending a circus-like atmosphere to the booth. Outside the booth, the *Galaxian*³ VR space shooting game, which JAM reported on last December, also attracted a fair amount of attention. Namco's newest VR piece, though, was more down to earth. The *Simdrive* VR piece is made from the body of a real Eunos Roadstar, one of the best selling mini-sports cars in Japan. In front of the Eunos' body is a panoramic screen that can project a track in real time 3-D computer graphics, thanks to a 300,000 polygon per second broadcast system. Some of the largest crowds in the Namco booth, especially on the third day, surrounded the *Final Lap 3* racing game, the long-awaited sequel to *Final Lap 2*. *FL3* had originally been scheduled to be released this past May, but company officials decided to wait until the JAMMA show, probably due to the fact that income levels from *Final Lap 2* were still high.

In Japan, when one thinks of token games, the first company that usually comes to mind is Sigma. In the

mid-1980's, the company pioneered the token game market by introducing the "token-in-token-out" system, whereby players exchanged tokens for more tokens. The system caught on, and today this method, known as the "Sigma" method, has spread throughout the country. Sigma is still one of the leaders in this market, as their display booth clearly showed. Games such as *Special*, *Junior*, *Ghost Jr.*, *JD Junior* and *Bingo Jr.* of the Super 8 Ways series drew crowds, while *Magic Circus*, a six player game also received rave reviews. This latter game was scheduled to go on sale in Japan at the end of September. Plans for overseas sales were not finalized yet as of press time, but a Sigma official said that many of these games should be available soon. In addition to token games, there were some traditional carnival style games on display as well, such as *Deep Shot* and the ever-popular *Hungry Hungry Hippos*.

Token games were also seen at Sammy Inc., specifically the *Aladdin II* fruit machines. This manufacturer/distributor also had a large number of other games on display including the video game *Battle Blaze*, the historical war simulation game *Barbarossa*, and *Breaker*, which was developed by Kaneko. Many of the games were displayed in the Lunaria cabinet. With a four speaker stereo system and two player compatibility, this system was also drawing praise from many people.

It has not only been token games that have been gaining in popularity since last year, however. Fortune telling games are becoming more and more popular as well, the previously mentioned *Crystal Fortune* being just one example. Especially popular among young women and couples, these game machines ask you to enter some basic data about yourself, and then answer questions about love, relations, work, or whatever. Towa Corp. understands the appeal of such games and *The Legend of Juno*, a walk-in cabinet with a large golden goddess on the outside may eventually challenge Sunwise Corp.'s *The Pharaoh's Prophecy* as the top fortune telling game in Japan.



Capcom rode in with glitz and jazzercise.



Dinosaur shuffle.



Thanks to the Legend of Junos, many more people now know what lies in store for them.

Right in front of the Towa booth was Taito. Here, one could find everything from video to carnival games to karaoke to Virtual Reality. In the last category, the D³BOS was once again the centerpiece, although the IDYA simulators were also drawing a great deal of attention. These simulators offer the player an exciting ride that moves in tandem to the action on the video screen. The turns and movement of the IDYA were somewhat quick and jerky, which, in our opinion, added to the fun and excitement. A Taito spokesman said, however, that some people were complaining that the ride should be made smoother. There are a variety of software packages currently available for the IDYA and the spokesman said that more titles are being developed. He also hinted that games which utilized a control panel will be available sometime soon, adding to the flight simulator-like experience.

SNK's Largest Booth Ever

Despite the fact that the crane game boom has abated, these machines still draw a lot of crowds, and Taito's *Moonraker*, *Fairy Castle*, and *New Capriccio* were all doing well. Carnival games such as *Paradise Alley*, *Korokoro Pon*, and *UFO Mogura* were also on display. Taito hasn't ignored the token market either, and a large number of such attractions, including *Derby Queen*, *Vegas Jack*, *Aqua Romance*, *Jewely Gold*, and *Splash Fall* were drawing a large number of onlookers. These were just a few of the many token games Taito had on display, and it is obvious they are aggressively pursuing this lucrative market. Of course, this does not mean the company is abandoning the video game market. New releases include *Dinorex*, a fighting action game. Picture *Street Fighter II* with dinosaurs instead of humans, and you've got the general idea of this game. In addition, *Grid Seeker* and *Riding Fight* were also on display. The 50" video screen enjoys widespread popularity nowadays, and



SNK's booth was mostly dedicated to video.

Taito displayed *Gun Buster* on this super wide screen. Taito also had a separate booth for karaoke set up, as they introduced their X2000 karaoke hardware system. A small stage with spotlights, a strobe, and dry ice greeted visitors. A large number of songs were available, including about 30 English songs, mostly standards from the 1960s and 70s.

With all of the reports so far on amusement/carnival games, token games and VR, some may wonder what happened to video games. To answer that question, one merely had to go to the SNK booth. This year, SNK had the second largest number of booths in the show (110). There was a large number of software titles, specifically games for the NEO GEO MVS system. New titles included *Ryuko No Ken* and *World Heroes*. With such a large selection of titles and an eye catching display, it was no wonder that SNK was able to attract such a large number of video enthusiasts. Especially on the third day, the SNK booth proved to one of the most popular of the entire show. There were five new cabinets on display as well as two new carnival games, the *Neo Carnival* and the *Neo Carnival Mini*.

Moving around the right side of the hall starting at the top, Kansai Seiki Seisakusho Corporation, also known as Kasco, was on hand featuring their new carnival shooting game *Tonosama Gozen*. Two of these



Roulette can be fun sometimes.



SNK lets off some steam during the show.

F E A T U R E



A big, blue Bufferin?
No... Taito's IDYA.

Mr. Hideaki Doi
(l) and Mr.
Takeshi Aoki (r)
with their pride &
joy, the AS-1.



Token games made a strong showing.



machines were on site, along with a new telescope, called Covac, of the type often found on the observation decks of skyscrapers. Other items included *Hungry Hungry Hippos* (also displayed by Sigma) and *Mushiba Taiji*. The games all emphasize a literally rhythmic style of play, with music "Mickey Mousing" along to accompany the action.

Next door to Kasco was Yubis, a company that began as a vendor of games, but then expanded into in-house development when they obtained a factory from now-defunct UPL. One manufacturer with which they have had a long relationship is Yuvo, who had a new shooting game called *Target 7* on display at the Yubis booth. Yubis also displayed their own *Jumbo Hexa*, a prize game where the booty is spinning about on a Lazy Susan-type arrangement. The machine is a descendant of their previous *Jumbo III* release. Yubis also exhibited a variety of machines from Sega, Tecmo, SNK, and Banpresto.

Atlus, another company that combines distribution and sales with in-house development, had a wide variety of equipment from Sega, Konami, Namco, and Irem on display. That they and Yubis both had Sega's *Virtua Racing* on display was a plus for those who had no desire to wait in the lines for the machine at the Sega booth. Atlus also exhibited two new in-house projects. One was a new slot machine, *Trendy Slot*, that features larger-sized prize capsules, while the other item was adventure game software for the Famicom, a piece called *Shin Meigami Tensei*. Atlus is involved in other projects, including the development and design of arcade locations and sales of karaoke hardware and software.

Many companies at the show made use of big screen monitors to advertise their wares. Toa Plan used their wall of monitors in support of the two new video games they exhibited at the show. The majority of the cabinets at their booth, as well as the signs installed on the booth itself, featured *Dogyuun!!*, their new vertical scroll-type shooting game. A space ship modeled on that used in the game hovered above the aforementioned wall of video.

Appropriately enough, Kaga Electronics, with their lineup of monitors, stood across the aisle from Toa Plan. Kaga's display featured a wide variety of monitor shapes and sizes, including a 36" wide screen model and a 60" Mitsubishi projection television. Also included in their booth were a number of computer monitors and coin hoppers. In a similar vein, Seimitsu Shoji, next door to the Kaga booth, displayed their line of components for games. New at the show was the BS14GX push button, designed for longer playing life. A variety of other items was displayed, including control boards for Capcom's hit *Street Fighter* series.

Continuing down the row of booths heading towards the main entrance to the hall, Sunwise had a booth which was split into two areas. The upper part fea-



Checking the parts (above) and waiting for a tarot reading (below).



tured their lineup of products for children, including two new machines. One of these was a short money changer aimed at children with comic book characters decorating the surface. The other was a token game called *Janken Bubbles*. "Janken" is the Japanese name for the hand game familiar to people overseas as "rock-scissors-paper." If you beat the machine at janken, you get to play a slot style game in order to win tokens. The rest of the booth was decorated with a cave-like motif and featured their fortune-telling machines *Another World* and *The Pharaoh's Prophecy*. Sunwise reports their promotional tie-up with JTB [see *Japan Trade Journal, JAM, Aug. 1992-Ed.*] to have been a success, and they have plans to put *The Pharaoh's Prophecy* in 30 of the travel agency's locations nationwide. They have also indefinitely placed the machine in two Tokyo outlets of the Marui department store.

By the time you've reached this part of the hall, you realize you've been hearing music. Other than the "music" of all the games. This is because BMB Nikko-do, a major karaoke software and hardware manufacturer, had a large booth here devoted to their line of business. The large number of employees on site passed out information to anyone who came near and sang their hearts out. The booth featured karaoke boxes, a type of karaoke location long since popular in Asia that is now taking steps into the overseas market

[see *Karaoke Accents, JAM, July 1992-Ed.*]. BMB Nikko-do hopes more arcade operators will take an interest in adding karaoke boxes and rooms to their locations, although with the near-saturation level of the Japanese karaoke market their hopes for expansion might be nothing more than wishful thinking.

Stepping back to music of a different kind, Banpresto exhibited trains and games allbebopping along to bouncy tunes. Most of the items featured characters popular with children, particularly Ultraman and Anpanman. The latter showed up on a large train in the center of the booth while the former could be found in a number of video games. Amidst all the stuffed dolls and character cards, Banpresto also displayed a new Galaxian-style video game, *Macross*, that seemed to attract a lot of attention on the third day of the show.

Konami's booth was laid out into several zones, one of which was devoted to their new *Bucky O'Hare* video game, a machine which can handle up to four players at a time. Another new item was the work-in-progress *Premier Soccer*. One feature of this game was the ability to pick from one of four different perspectives from which to view the action. The center of their area was devoted to a variety of adult token machines, including *Quick Pick 5* and *Last Queen*. They also displayed a variety of PC Engine and Famicom software, and a piece called *Picno*, a computer graphics sketch pad. The operator selects different shapes, objects, and colors from a menu, and draws freehand on a sketch pad with a "pencil." The resulting creation is displayed on a monitor.

Two smaller companies stood at the end of the line. One was Universal Sales, a company that -- as the name implies -- is a vendor and also a distributor, primarily of token machines. Specially displayed for the show was their in-house product, the *Double Wild* slot machine. Next door to Universal was *Daisen Sansho*, a company that represents Glory, a manufacturer of peripheral equipment. New for the show was the ER-



F E A T U R E



Many meetings were held during the show.

The Japanese side listens intently to a point made their American counterparts. (Below)



100 coin changer, designed with a soft, "wavy" front panel and able to change larger bill denominations.

One of the larger booths at the show belonged to Jaleco, an established player in Japan that is beginning to garner name recognition overseas [see interview with Jaleco Europe's Norman Leftly elsewhere in this issue-Ed.]. The centerpiece of Jaleco's display was the two-seater large cockpit (literally) machine, *Wild Pilot*. Making use of a World War I cum barnstormer motif, the players set out on a wild flight in pursuit of villains and money. Jaleco made use of their new Pony 40 cabinet's to preview *Big Striker* soccer and *Soldam*, two new releases. In addition to these video games and the *Grand Prix Star* racing game, the booth also featured a large number of token machines, home video game software, and *Arm Champs II*, a muscular game that is said to be doing a lot for Jaleco in Europe and the U.S.

Irem's booth featured two video games that saw their premier at the show. One was *Major Title 2*, an update of the golfing game released in 1990. The other was a video game based on *Hook*, the recent reincarnation of the Peter Pan tale. Both items attracted a lot of attention on the third day of the show, as did *Bomberman World* [known variously overseas as *Atomic Punk* and *Dynablaster*-Ed.]. In addition to the vids, Irem's booth also featured token games, fortune-tellers, a new two-player cabinet, and *Hill Climber*, a mechanical carnival game to accompany their three person *Da Da Da* shooting game.

Sega Shows It All

Sega Enterprises had the largest number of booths of any company at the show, clocking in at 120. A massive Segasonic the Hedgehog floated over Sega's two major previews for the show. The first of these was a long line of their *Virtua Racing* machine, featuring their own CG board. The player sits in a chassis based on a cutdown F1 racer. After selecting one of four perspectives (from an aerial view to in the cockpit) and adjusting the seat, the rider is off on one heck of a ride. Hydraulic cushions in the cockpit press in to mimic G-force effects as you spin around in a high speed turn. These machines were very popular, especially on the third day.

The other big item at the show was the AS-1 simulator. This machine had been exhibited at the AOU show, but the software package had not been completed at that time. This is no longer the case. The machine itself was placed under what resembled the mouth of a cave. A screen on the wall presented the introduction to the story: the eight participants are to be passengers of a decidedly non-human chap named Muggo who will transport them on their interplanetary trip. Muggo has enemies, however, as the players will soon find out. Braced, you enter the craft and strap in for the ride, grasping handles equipped with triggers for the next, interactive edition of the machine. The action begins in space and then moves

to the surface of a rocky planet where Muggo attempts to avoid his (and your) destruction. The creative consultant for the project was Douglas Trumbull, special effects man behind such films as "2001: Space Odyssey" and "Close Encounters of the Third Kind," and it shows.

With machines of such caliber, one could almost be forgiven for overlooking other items at the Sega booth. In addition to the Sega crane game lineup, they had a new adventure style video game, *Golden Axe: The Revenge of Death Adder*. This was another of the machines at the show that could allow four person simultaneous play. Another major portion of Sega's space was occupied by token machines, including two 23 seat *Royal Ascot* machines that attracted a lot of attention throughout the show.

Not all of the action was on the floor. Throughout the convention there were a number of meetings that took place between AAMA, AMOA and JAMMA officials. This year, for the first time, the AMOA sent its chairman, Mr. Eugene Urso, along with several other members to the show in order to promote goodwill. The AAMA contingent was led by President Mr. Bill Rickett and Executive VP Mr. Robert Fay. Mr. Fay has been working extremely hard over the past few months to battle the copyboard problem, and has traveled to Asia several times recently to help stem the flow of illegal PC boards. Taiwan in particular has been a problem, and Mr. Rickett mentioned that unless this problem is solved, they could be in danger of losing their Most Favored Nation trade status with the U.S. Right before the JAMMA show, there was a meeting held in Taiwan among US and Taiwanese representatives to discuss intellectual property rights, and video games were reportedly included. Mr. Fay had no comment other than to say that "there's always meetings going on."

This also marked the first occasion that AAMA and JAMMA leaders, as well as AMOA representatives and a member of BACTA, had to sit down with Sega president Mr. Hayao Nakayama, who replaced Mr.

Masaya Nakamura as JAMMA chairman earlier this spring. There were several meetings held throughout the week with the intent of establishing both closer relations and reaching some kind of a verdict on worldwide cooperation against counterfeit PC boards. On Thursday, August 27th, a luncheon meeting was held and introductions were exchanged. Mr. Nakayama introduced himself and the other key members of JAMMA and the American side then did likewise. During the meeting, both Mr. Nakamura and Mr. Nakayama recounted past successes and praised the joint efforts of the two organizations in battling the copyboard problem. The AAMA is now seeking JAMMA's cooperation in establishing a worldwide anti-counterfeiting program. The AAMA had submitted a proposal to JAMMA last month, and both sides feel it is vital to cooperate to eradicate copies.

However, with a remark that the American side seemed unprepared for, Mr. Nakayama began criticizing the AAMA organizational structure. He mentioned that he was very concerned that, although there were both manufacturers and distributors on the AAMA Board of Directors, the manufacturers' side was a "bit weak." He went on to say that perhaps what is affecting the communication flow between the



Mr. Nakamura prepares a statement with the advice of an associate.



The JAMMA-AAMA-AMOA-BACTA joint conference, August 27th.



F E A T U R E

two organizations was the fact that, in JAMMA, not only the individual, but also the company is in charge, and bears responsibility for JAMMA, whereas the elected AAMA officials are individuals, and if one person quits, JAMMA doesn't know whom to talk to. Mr. Fay responded by updating the group on the efforts of the AAMA vis a vis the dollar coin issue among others. He, however, frankly admitted that a large number of congressional supporters may be voted out of office and that any concrete action on issues affecting the industry was unlikely until after the election. JAMMA estimates that, in order for an anti-counterfeiting program to be successful, it must run for several years and could possibly cost Japanese companies Y120 million (\$952,000). JAMMA members want to be sure that this amount of money is properly administered and no doubt seek assurances from the AAMA that those who start this project will be around to see its completion. The remainder of the meeting was not open to the press, and there was no word as to what happened afterwards, although Mr. Fay did say that he would be happy to resubmit a new proposal sometime in September.

On the third day of the show, JAM's parent company Coin Journal sponsored a customer survey to determine which games the general public enjoyed the most. The results? SNK's *Art of Fighting* was the winner, with 275 votes. *Tenchi wo Kurau II* by Capcom placed second (224 votes). *Virtua Racing* (Sega), *SF II: CE* (Capcom), *Galaxian³* (Namco), *Dogyuun!!* (Toa Plan), *Final Lap 3* (Namco), *Puyopuyo* (Sega), *Golden Axe II: The Revenge of Death Adder* (Sega), and *Macross* (Banpresto) rounded out the top 10.

In conclusion, the 30th AM Show left no doubts that the Japanese industry continues to run quite strongly. Although the past year has seen a stock market decline, and many other industries are hurting, the amusement industry continues to do quite well. While not even companies like Sega and Namco can begin to match the marketing and financial power of Sony, Panasonic, or Mitsubishi, their steady performance on the Tokyo Stock Exchange offers investors



both within and without the industry a safe port in a worldwide economic storm. Even the smaller manufacturers are doing well. Mr. Michiro Onoe, the managing director of Komaya, said that overall sales have "not been adversely affected" by the near-collapse of stock market prices. "Sales are still holding steady, and we think that they will continue to do so, but there's not a lot of consumer confidence (compared to the late 1980s) out there presently," Mr. Onoe said. Mr. Hiroshi Matsukawa, president of Zen International said that the market "isn't so bad." Similar opinions were also expressed by representatives of Toa Plan and Yubis, the latter anticipating sales of some Y10.6 billion (\$84.1 million). There are many reasons for this, including the fact that the amusement machine manufacturers are more likely to be able to raise needed R & D and location development capital due to their good economic performance. Of course, the fact that the image of the industry has changed much is also a major factor. Throughout the show, many overseas visitors commented that the Japanese industry seems to be much "cleaner" than their own industry back home. Integrated amusement complexes, clean game sites, excellent customer service, the safety of the arcades, strict rules regarding minors, and the fact that more and more customers are women, have all served as catalysts to change. ■



FEATURE



JAMMA '92 AM SHOW < Exhibitor Close-up >

ABLE CORPORATION

Able Corporation, a manufacturer and distributor, displayed their Slot Aid Land token game and a variety of machines from other manufacturers.



ATLUS

Atlus, Ltd., a manufacturer/distributor, displayed a variety of token, video, and crane games, as well as software for Ninetedo's FamiCom, in addition to karaoke products..



ASAHI ENGINEERING

Asahi Engineering is a kiddie and amusement park ride manufacturer. At the show, they displayed their car rides for children, including a mini-shinkansen (bullet train).



ASAHI SEIKO CO.,Ltd.

Asahi Seiko had a wide display of coin hoppers on display at the show. Many models were operating so that people could see the interior mechanics of the hoppers.



BANPRESTO

Banpresto focuses primarily on games and prizes for children based on popular characters from Japanese television and comic books, such as Ultraman and Anpanman. A new item at the show was the vertical scroll-type video shooting game called Macross, which was scheduled for a mid-September release.



COIN JOURNAL

These wacky folks bring you Japan Amusement Monthly, as well as the Japanese language Coin Journal and Karaoke Fan trade journals.



DAISEN

Serves as the sales representative for Glory, a manufacturer of peripherals such as coin changers. A new bill changer that takes larger denominations was displayed at the show.



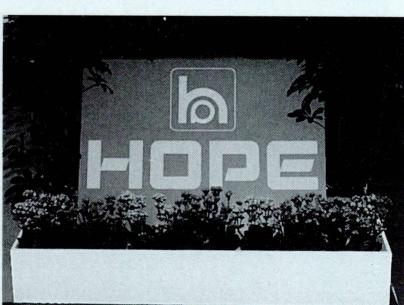
DATA EAST

Many of the company's new games, such as the Lethal Weapon 3 pinball game, Diet GoGo and The Great RagtimeShow were displayed.



HOPE

One of the leading companies in the fairground attractions industry, Hope had a number of larger items such as Wonderland, Naughty Train, Rainbow, and Friendly Train on display.



JAMMA '92 AM SHOW < Exhibitor Close-up >

IREM

Displayed Major Title 2, an updated version of their 1990 release, and the Hook video game. Also displayed Hill Climber, a mechanical carnival game licensed from Leprechaun. Other items included Bomber Man World, Angel Whisper, Da*Da*Da, and the Madonna video game cabinet.



KAGA ELECTRONICS CO.,Ltd.

Displayed a wide selection of coin hoppers and monitors for game cabinets and computers at the show, including several larger monitors of 36"+ for video game cabinet use.



JALECO

Main feature of their display was the two-seater cockpit game Wild Pilot. Other new games included Slot Machine, Soldam, Big Striker (soccer), and FamiCom software. Also on display were the new Pony 40, a large cabinet with a 40" screen, a large number of slot-type token games, Arm Champs II, and Grand Prix Star.



KANSAI SEIKI

New entry at the show was Tonosama Gozen, a shooting game which returns target card to player at end of game. Also displayed other carnival games and an observation deck telescope.



KATO AMUSEMENT CO.,Ltd.

Kato Amusement displayed a collection of their kiddie rides, such as the Wee-Wee Fire Truck and the Nozomi Shinkansen, a small-scale mock-up of the latest generation of bullet trains.



KATO MANUFACTURING

Kato Manufacturing produces token games and other games of chance for all ages. Games at the show included their Madonna III slot machine, Miracle Shot pachinko game and the Pao Pao Slot game.



KOMAYA

Komaya is a producer of carnival games. At the show, they displayed their Sauros Cannon ping-pong shooting game, Ahiru No Yoi Don duck racing game and the Ghost Shooter air gun game.



KONAMI

Booth was split up into several areas, including an area for their new video release Bucky O'Hare and another for Premier Soccer, a work in progress. Other items included adult token games, the Domy Theater and Domy Jr. cabinets, a computer graphics unit, home video software, and the Lethal Enforcer stand-up cabinet video shooting game.



MASAGO INDUSTRIAL CO.,

This company is a manufacturer of kiddie games and rides. Exhibits included Box Patrol Car, Super Fire Engine, Double Decker Bus, Bears Telephone, Super Mixer, Osando Duck, Adventure Train, and Super Mixer.



JAMMA '92 AM SHOW < Exhibitor Close-up >

MIDGETY ENGINEERING CO., Ltd.

A carnival and arcade game manufacturer. The company's main items are Dip Bowlers, Pierrot, Whac-A Mole P, Hot Shot, Skee Ball, Handle Game P, Bazooka Ball, and Can Alley Game P.



NAMCO, Ltd.

Namco had a large line-up of some of the company's newest products from video games to home game software to VR on display at the show. The company's long-awaited Final Lap 3 was shown, along with a working models of their Galaxian³: Project Dragoon and SimDrive driving simulator. There was also a separate section of the booth dedicated to the Wonder Eggs amusement park.



NIKKODO CO., Ltd.

This major karaoke hardware and software manufacturer made its amusement industry exhibition debut. Focus at the show was on karaoke box designs and karaoke/amusement software.



NIPPON CONLUX CO., Ltd

Nippon Conlux is a manufacturer of coin acceptors, validators, and other currency equipment. At the show, they exhibited several of their systems.



NIPPO CO., Ltd.

Nippo Co., Ltd., a kiddie ride manufacturer, displayed their newest battery car line for children's areas at theme and amusement parks.



OKAMOTO MFG CO., Ltd.

Okamoto Manufacturing, a production and leasing company, showed many of their smaller units, but the bank of six Super Shot basketball games attracted the most attention from visitors.



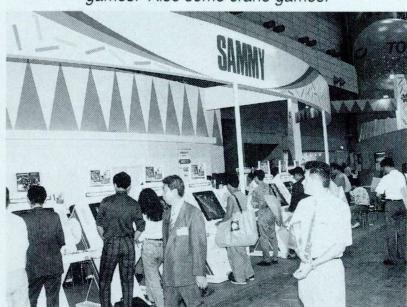
ROLLERTRON

Roller Tron displayed the new Animal Land video game, developed by Tecmo, at the show. They also exhibited Allumer, Ltd.'s Blandia and Art of Fighting for SNK's NEO GEO system.



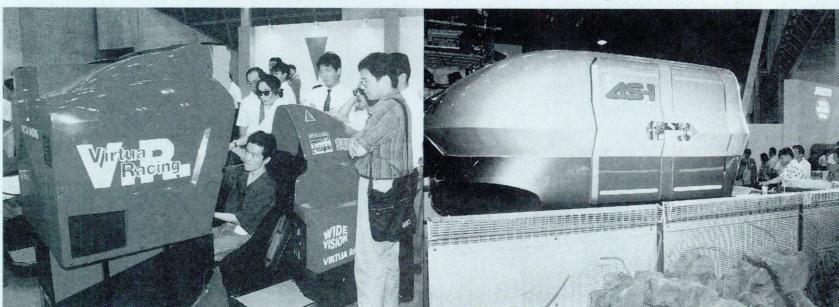
SAMMY INDUSTRIES CO., Ltd.

A manufacturer-distributor, Sammy displayed a number of video and token games, including Breaker, Barbarossa, Battle Blaze, and the Aladdin II token games. Also some crane games.



SEGA ENTERPRISES, Ltd.

Virtua Racing drew some of the largest crowds of the show. Other exhibitions included Air Rescue, Strike Fighter, F1-Exhaust Note, Rad Rally Dual Cabinet, Super Monaco GP Dual Cabinet, GP Rider, Rail Chase, Ghost Town, and Holosseum. Token games included the 23 Royal Ascot, World Derby, Derby Day, Bingo Party, and Caribbean Boule, among others.



SANWA DENSHI CO., Ltd.

Displayed the OBSF-30RG, the RS-SG, the OBSA-30 and 30U, and the OBSF-30N. All of these are buttons for cabinet video games and are designed for long life.



JAMMA '92 AM SHOW < Exhibitor Close-up >

SEIMITSU CO., Ltd.

Seimitsu is a manufacturer of video game components such as joysticks, control panels, and buttons whose customers include most of the major Japanese amusement machine manufacturers.



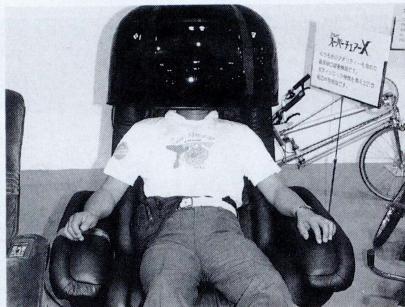
SIGMA, INC.

The JD Junior, Bingo Jr., Special, Junior, and Ghost Jr. games were drawing the most attention. Hungry Hungry Hippos continues to be a popular item, while Sigma also displayed a number of plush toy prizes.



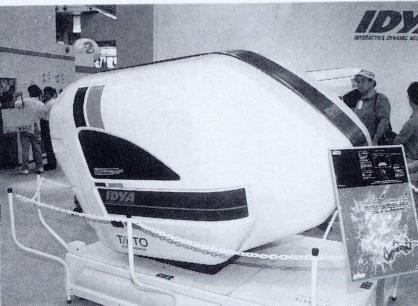
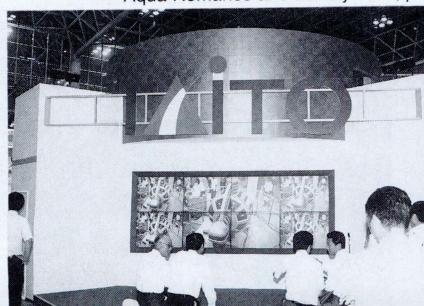
SUNAGA KAIHATSU

Sunaga Kaihatsu, a leisure product development company, had a line of sports and leisure products on display, including their Relaxation Chair, a cushioned chair that massages while you sit.



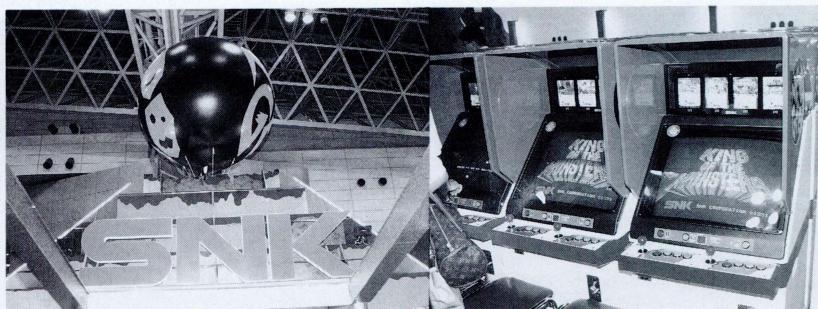
TAITO

Taito seems to be challenging Sega as a leader in the Japanese market. Exhibits included token games, VR pieces, video games and karaoke. Seen on display were Galactic Story, Warrior Blade, Moon Castle, Fairy Castle, New Capriccio, New Double Chance, Paradise Alley, the token games Aqua Romance and Jewely Gold, plus the VR items D³BOS and the IDYA.



SNK CORPORATION

The NEO GEO system was on display and titles were numerous including Art of Fighting, View Point, Baseball Stars, Baseball Stars II, and Ninja Commando. New titles included World Heroes and King of the Monsters 2. In addition, there were a number of crane games exhibited.



SOGO UNICOM CO., Ltd.

Sogo Unicorn is a company that has diversified into many different sectors of the leisure industry. At the AM Show, they introduced their new magazine Leisure Industry Data (in Japanese).



SOSHO

Sosho is a distributor that handles games that are manufactured by several major companies. Among those displayed were Tecmo's Wai Wai Animal Land game and Kyotaro cabinets.



SUNWISE

Displayed their popular Pharaoh's Prophecy fortune telling machine. New items included token games and a coin changer aimed at children.



TAIYO JIDOKI

Taiyo Jidoki displayed their Top Shooting and Round Slot games, first shown earlier this year. Additional games include Sui Sui Pyon Pyon and Licca-chan no Uranai Denwa.



TASKO CO., Ltd.

Tasko, one of the leaders in the carnival game sector, had a number of games displayed including Basket Stadium II, Western Darts, and Dragon Fire.



JAMMA '92 AM SHOW < Exhibitor Close-up >

TOAPLAN

This video game manufacturer displayed two new games at the show, Dogyuun!!, a vertical scroll-type space shooting game, and Fixeight, a vertical scroll-type adventure shooting game.



TECMO

Manufacturer-distributor Tecmo put the machines of several companies on display, such as Alvin G. & Co.'s A.G. Soccer-Ball, Data East's Lethal Weapon 3 pinball machine and their own Zing Zing Zip. Tecmo also had a wide variety of other games and accessories at the show, such as their Basket Chance redemption game and the Kyotaro cabinet series.



TOGO JAPAN Inc.

Togo is diversifying into a number of different areas including the theme and arcade industry. New products included Let's "Vongole" Go, Hey! Taxi!, Niko Niko Friend, Rolling Egg, Pao Pao Elephant, Family Do-It-Yourself Bus, Dream Pumpkin, and Super Tennis. Carnival games included: Roll & Drop, Mad Saurus, Line Ball, Hungry Animal, Hop Step, Master Kappa, Dinosaur, and Zebra.



TOKEN CORPORATION

Thanks the "Sigma Method," the popularity of token games is increasing in Japan, and Token Inc. had a display of the various kinds of medals now available. Each comes with a company logo.



TOWA JAPAN Ltd.

Recently, fortune-telling games have become more and more popular among younger Japanese. In response, Towa exhibited The Legend of Juno, as well as the carnival games Kaikogai Kan Ippatsu and Ippatsu Jr.



UNIVERSAL SALES CO., Ltd.

Importer, exporter, and vendor of amusement and gaming machines, Universal Sales a number of slot-type machines including Double Wild.



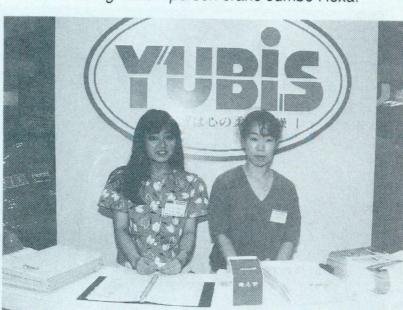
VIDEO SYSTEM CO., Ltd.

Video System displayed several of their video games, such as Sonic Wings (Aero Fighters), Tao Taido, a new fighting game, and Crystal Fortune, a new fortune-telling game that features a gypsy mannequin.



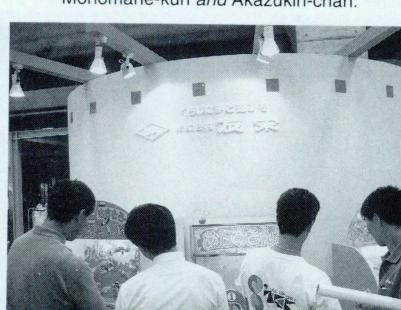
YUBIS CO., Ltd.

New at the show was Yuvo's shooting game Target 7, for which Yubis is the company's representative. Yubis' displayed a number of video and crane games, including the six person crane Jumbo Hexa.



YUEI CO., Ltd.

Yuei, a manufacturer of mechanical children's games, displayed four games of chance at their booth, such as Monomane-kun and Akazukin-chan.



ZEN INTERNATIONAL CO., Ltd.

Zen International manufactures large model railroads for amusement and theme parks. They also displayed Tornado UK's Remote Control Car game and Acua Blaster carnival game.





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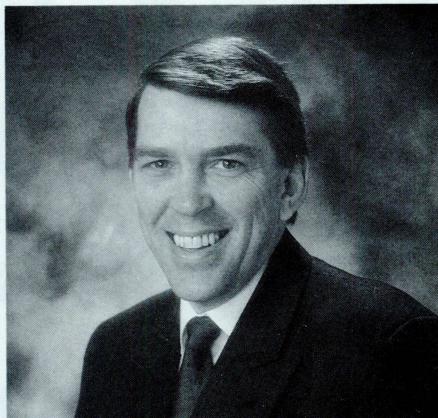
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SPECIAL INTERVIEW

Mr. Norman Leftly

Head of European Operations, Jaleco Europe



Interviewed by Carl Freire, Contributing Editor

With 70 booths, Jaleco had one of the larger stands at the recent JAMMA Show. In addition to the attention-getting Wild Pilot and Arm Champs on site, Mr. Norman Leftly, Head of Jaleco Europe, was on hand to take part in the proceedings. Mr. Leftly took a few minutes out of his busy schedule to speak with us about Jaleco and the European market.

JAM: What new products is Jaleco exhibiting here at the show?

MR. LEFTLY: We're showing the *Wild Pilot*, the full movement simulator. We also have *Arm Champs II*, which is now beginning to ship. Then there's the new 40" *Pony* [cabinet], which is really a follow-up to the very successful *Pony* steel cabinets. We have plans to sell all of these products overseas in addition to the Japanese domestic market.

JAM: Could you please tell us a little bit about the structure of Jaleco Europe? For example, vis a vis home office relations, how much freedom do you have?

MR. LEFTLY: Well, we're a representative office, not a trading company. We handle all sales, after sales, spares, backup, everything to do with the product. It's as if we were actually in Japan; we're just the local office. The sale is actually that of Jaleco, Ltd., Japan.

JAM: We were talking a little bit earlier today about the impact of the overseas offices on the development of hardware design . . .

MR. LEFTLY: Yes, sometimes we will look at a game and see that there is potential for the European market, but during its design stages it was made for Japan. So then we recommend the changes for Europe. As I had mentioned earlier, *Arm Champs*

Mark I was a little guy with an arm, and really it was just too Japanese. All the changes that you see in the new edition are ideas that we put to the company. The cabinet design came from Japan, but the screen idea, the characters, the style of play, all come from suggestions from ourselves and from Jaleco USA.

JAM: What are the hot hits for Jaleco now?

MR. LEFTLY: The current game we have been marketing is *Grand Prix Star*. It was very successful in Italy, which is a big driving game market anyway. It was a nice success, and it's the game on which we've been concentrating. And now it's being followed by *Arm Champs*. With the games that are coming out now, such as *Wild Pilot*, we expect that we will be showing three new products at the ATEI show.

"Real unification will be difficult."

JAM: What are your views of the industry in Europe in general? I realize that with the coming of the EEC, all talk about things European revolves around unification. Do you think the amusement industry there will mirror that?

MR. LEFTLY: That's a tough one (laughs). What I found interesting about the EEC was that the real

tough parts of the negotiations were actually quite easy to resolve. Now the problems seem to be small things, like "whose flag are we going to use?" That's created a complete uproar! Taking the customs posts away between, say, France and Germany, was no problem, but "whose flag are we going to use?" That's the problem! (laughter)

The same thing seems to be appearing in the amusement industry. Everybody still talks about "America" or "Europe," and it's not America and Europe, it's America, England, Germany, France, Italy, Belgium, Holland, and so on. And they've all got different languages and cultures. I think real unification, as far as producing one product that's suitable for everybody, will be difficult. Even with sales. For one distributor to intersell in Europe . . . they're doing it, but I think it's not easy for them as it is for the local distributor.

JAM: When we went to the IMA Show in Frankfurt last January, one of the things people kept emphasizing to us was that it's not just Europe, or all the individual countries, but rather there is a "northern Europe" versus a "southern Europe" mentality regarding marketing and laws. For example, as far as copyboards go, we hear the laws in southern Europe are not as strict . . .

MR. LEFTLY: Well, for example, with a dedicated machine in Spain, you have to receive a special government certificate called an obligation. Only one will be granted. Then it's impossible for anybody else to operate, even an amusement game. That's very helpful from our point of view. Our distributor gets the obligation for the machine, and then he doesn't suffer from any gray market business. The PC board business is the opposite, because it's so easy to bring in something that small. All in all, I think there are definitely different attitudes between southern and northern Europe.

JAM: What do you think the possibilities are for Eastern Europe?

MR. LEFTLY: Right now the market is for second-hand equipment. There is a lot of it in Europe, so many operators and distributors are focusing on that. Obviously, we want to sell new items. If you take a look at, say, the American market or the Japanese market and how long it takes to progress from a very simple video game to a very complex one, it's, what, maybe fifteen years? But that whole process will probably be covered in a year. So you could sell TV Tennis on Day One and you'll be selling them the new Sega [VR] piece next. The thing is currency, hard currency. If the Russian currency goes hard, it'll be a beginning. They're very poor.

JAM: People seem to be divided over the prospects for the upcoming St. Petersburg show . . .

MR. LEFTLY: Well, it depends on whose hat they're wearing. If they're a small but big-thinking distributor, it's great for them, because they've probably got a warehouse somewhere with lots of second-hand

equipment. It's good business. They'd never be able to sell that anywhere else. If you're a big manufacturer only with new pieces, costing five or six thousand pounds a unit, it's something else. For Jaleco, we're just going to keep monitoring the [Eastern European] situation. We'll probably at least have a representative there exhibiting our equipment at the show. Of course, as far as things like gaming machines are concerned, for the big manufacturers, it'll be really difficult until the laws are clearly defined.

JAM: What is the general view of the Japanese market, speaking both as a European and as the head of Jaleco Europe?

MR. LEFTLY: The one thing I can see here now is that the Japanese market is so healthy that you can almost see some of the games turning back into being very Japanese. Many of these people spent many years trying to make a game that appeals to a wide market. But, it's so weak out there and so buoyant here that it's very easy to be turning back in on yourself. That's the immediate visual impression.

JAM: Can you give us some specific examples of things that you may have noticed?

MR. LEFTLY: Well, just in the screen characters you see. Generalizations are always horrible, but the cutesy little characters don't go down in Europe at all. They work okay in home games because kids play in private and it's no problem, but a fourteen year old boy doesn't want to be seen playing one of those games in public.

A young company on the move

JAM: Finally, let's shift the topic to the realm of economics. At the moment the world economy is in a "slow-down" period. How is this effecting Jaleco Europe, and for that matter, Jaleco as a whole?

MR. LEFTLY: Well I don't think we are suffering as badly as some because we're not in the high volume business. Most of our products are like *Arm Champs* or *Wild Pilot*, games that are steady sellers, so the volume tends to be lower. They're more specialized pieces. It's not as though we're just in the PC business; it's a different area altogether.

Also, we're only three years old. Although Jaleco is very well-established in Japan, going on 18 or 19 years, the name Jaleco is not so well-known in Europe and that's one of the things we're trying to improve. It's games like *Arm Champs* that are going to bring that name forward. It's been doing well, and we plan to release *ACII* next year in Europe, aiming for placement in arcades and with traveling showmen. One thing going for us is that we've established a name for very reliable equipment. That's a healthy situation to be in. We never have after sales problems at all. ■

WORLD JOURNAL

(EVENT CALENDAR)



OCTOBER 13 - 16

SEATRADE

Asia Pacific Cruise Convention,
Stamford and Westin Plaza,
Singapore.
Contact: Conference & Exhibition
Department, Seatrade House
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FAX: 44-206-45190

OCTOBER 14 - 15

ASSOCIATED LEISURE PREVIEW

Novotel, Hammersmith, London, UK
Contact: Howard & Wikberg
Promotions
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FAX: 44-71-388-9663

OCTOBER 15 - 18

ENADA

Rome Fair, Via dei Georgofili 7,
Rome, Italy
Contact: Sapar
TEL: 39-6-4403-686
FAX: 39-6-4402-718

OCTOBER 21 - 23

EASTERN EUROPEAN LEISURE EXPO

St. Petersburg Central Exhibition
Hall; St. Petersburg, Russia
Contact: Stephen Whatmore
TEL: 44-61-624-3687
FAX: 44-61-665-1260

OCTOBER 21 - 23

FER

Palacio de Victoria Eugena,
Barcelona, Spain
Contact: Interalia SA, Avda.
TEL: 34-3-4161466
FAX: 34-3-4150095

NOVEMBER 5 - 7

NATIONAL AUTOMATIC MERCHANDISING ASSOCIATION TRADE SHOW

Washington Convention Center,
Washington D.C., U.S.A.
Contact: NAMA
TEL: 1-312-346-0370

NOVEMBER 9 - 11

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New Orleans, Louisiana, U.S.A.
Contact: Gaming & Wagering
Business
TEL: 1-212-594-4120
FAX: 1-212-714-0514

NOVEMBER 9 - 15

DYNAMO NORTH AMERICAN SHUFFLEBOARD CHAMPIONSHIPS

Sands Regency Hotel & Casino,
Reno, Nev., U.S.A.
Contact: The Shuffleboard Federation
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NOVEMBER 12 - 15

PINBALL EXPO '92

Ramada Hotel: O'Hare
Rosemont, Illionis, U.S.A.
Contact: Robert Berk
TEL: 1-216-369-1192
FAX: 1-216-369-6279

NOVEMBER 18 - 21

IAAPA TRADE SHOW

Dallas, Texas, U.S.A.
Contact: IAAPA
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FAX: 1-703-836-4801

DECEMBER 8 - 11

FORAINEXPO/ AMUSEXPO

Le Bourget Exhibition Center,
Paris, France
Contact: Groupe Sepfi-
Technoexpo
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FAX: 33-1-426-61428



JANUARY 5-7

VAN-EXPO

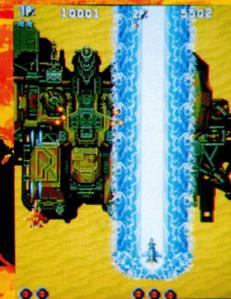
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JANUARY 7 - 10

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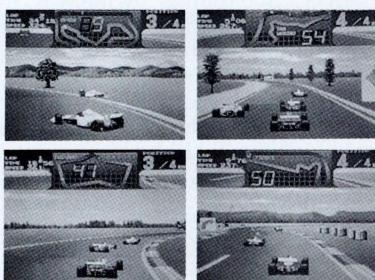
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DECEMBER 8/11, 1992
EXHIBITION CENTER PARIS LE BOURGET - AIRPORT FRANCE

FINAL LAP 3

Namco



WARNING: THE FOLLOWING TWO REVIEWS SHOULD NOT BE READ AT THE WHEEL OF A MOVING FAMILY AUTOMOBILE!

HEY, RACE FANS! THIS IS YOUR MONTH! CHECK IT OUT!!

After weeks, nay, months of agonizing, wringing our hands and watching Nigel Mansell have all the fun, we got it!! It's nothing less than **Final Lap 3**, one of the most talked about, speculated on, contemplated racing games to come this way. Volumes could be written about *FL3* and its delinquent debut, but we'll leave that to the academicians. Why not let the machine have the first words for itself?

Yes, this game builds on the base of its immortal predecessor *Final Lap 2*. Granted, with all these additions to the series (maybe - far in the future - a *Final Lap 4*? How about it, Namco? Huh?), the word "Final" may be a misnomer, but if it's race action you want, brother (or sister, as the case may be), you got it.

Shown for the first time at the JAMMA show near Tokyo this past August, Namco has made many changes to the game that differentiate *FL3* from *FL2*. Cosmetically, the game has a new cabinet and style, actually several new cabinets and styles, the specifics of which will be announced at

a later date, but if you wanna get to the meat of matters, take a glance at what this baby packs under the hood, or, ah, er, in the PC board.

FL3 gives you a choice of four courses that can take you, as the demo screen says, "Around The Europe(!)." The Europe, in this case, is defined as F-1 tracks in Spain, San Marino, England and France. Each course has its own twists and turns, as well as straightaways that the player has to master.

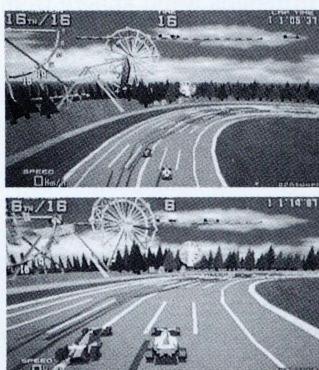
And it's no easy task. Spain's course has a long straight north track that turns into a gnarly series of hairpin turns on its southern side. The San Marino course is an irregular circuit specifically designed to cause spectacular collisions between racers. England's course is the straightest, therefore the fastest (and in some cases, the dullest), while the French course features two long straightaways separated only by several sharp turns.

Pretty intense stuff from the fellows who wrote the book on video racing. BUT . . . It's not over, yet. There's one more racing game up this month. Who's better? Read on. You be the judge.

For more information, contact Namco at +81-3-3756-8572 by phone or +81-3-3756-5967 by fax.

VIRTUA RACING

Sega Enterprises



Whichever you choose is your prerogative. Besides if you get bored with the view, you can always switch angles on the fly. But enough about that.

The race is intense. It gets even better when you're competing against somebody. If you're not distracted by the realism of the game itself (skid marks left on the road, road signs that can be run down and DON'T miraculously come back on the next lap, etc.), racing against someone in this game is as neat as the real thing. The player's seat is dynamic, using hydraulic arms to poke and prod you (supposedly to give you the feeling of motion) as you turn, slide and crash. As you come up on an opposing player, you can literally bump him out of position and take over. The problem is that the favor can be returned.

While it is difficult to really lose control of your car, it is also hard to maintain a straight course. In all, it depends on how well the player can adapt to the movements of the car.

For more information, contact Sega at +81-3-3743-7438 by phone or +81-3-3743-5539 by fax.

And over in the blue corner . . .

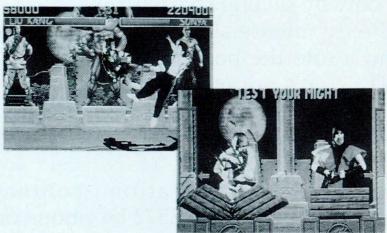
JAM's Battle of the Racing Simulators continues with a hard VR left hook from Sega with a game called **Virtua Racing**, and it has got one of the clearest, realistic screens video racing has ever seen.

This is also a racing game that can't be missed. The idea is simple . . . get to the finish line before your competitor. It's the way in which you do it that will either make you or break you. First, the player(s) choose a course, based on either beginning, intermediate or advanced levels of play, then select which VR mode they want to drive in.

Huh? VR mode? Yeah . . . VR mode. You have four of them. The first one is a cockpit view, looking at the track from the driver's own eyes. The second mode puts you looking down on the action from just above your car. It's the standard viewing angle for most racing games. You don't want this one; it's too ordinary. The third view is from far above the car, say five meters or so. You can see well ahead of the track with this one. The last view is from the sky, about 50 meters up or so, looking down on the race. Unless you're really used to this angle, it's exceedingly difficult.

MORTAL KOMBAT

Midway



For those of you who were with JAM back in June of 1992, you'll recall that we awarded Midway's Total Carnage game the honor of Most Honest Game Title of 1992 and - a bit prematurely - 1993. It was well deserved. That is why we're really in a quandary about what to do over their newest title **Mortal Kombat** (yes, it is spelled with a 'K'). It's honest, too.

I mean, what else are you going to do with a game that is housed in a blood-red cabinet emblazoned with a savage looking golden dragon and equally ferocious Bruce Lee wannabe on the side? Well, we were going to call up Roger Sharpe at Midway and get to the bottom of all this, but as we were picking up the phone, we read the slogan "So Real It Hurts," and, in the sudden interest of self-preservation, decided not to ask for a demo program.

So here's what we do know. Midway has come out with a digitized fighting game that brings a new twist of realism to a classic game genre. But yes, there is a story here.

The infamous warlord, Shang Tsung, has set up a secret fight-to-the-finish tournament in his isolated island fortress. No television crews, no crowds, just blood, sweat and tears. The way it used to be. Seven of the finest combatants in the world have

gathered to do battle. They are: 1) Johnny Cage, box office star; 2) Liu Kang, once a member of the White Lotus Society; 3) Kano, a member of the ruthless Black Dragon, a society of madmen bent on global domination; 4) Sub-Zero, a member of the Lin Kuei clan of Chinese ninjas; 5) Scorpion, a member of a rival clan of the Lin Kuei; 6) Sonya Blade, a member of the US Special Forces and 7) Raiden, the "Thunder God."

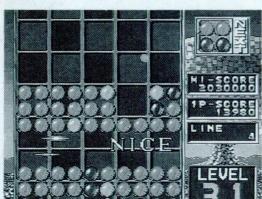
Mortal Kombat pits player against player in a match of unbridled, unadulterated fury. In the two-player mode, players can choose the king-of-the-hill match where a player can fight all six adversaries before going on to a "mirror match," where the player fights himself (or, in the case of Sonya, herself). Victory here brings a battle against Goro, the obligatory four-armed vicious mutant and, finally, against the sinister Shang Tsung himself. Every five rounds, by the way, the player has to prove his or her strength by breaking wooden boards, stone, steel, rubies and diamonds. Mercy!

Control for these flying fingers of death is provided by an 8-directional joystick and five (5) buttons.

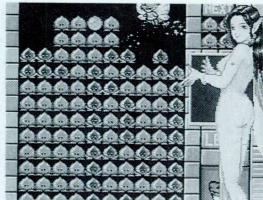
For more information, contact Roger Sharpe at Midway at +1-312-267-2240. And be careful.

SOLDAM

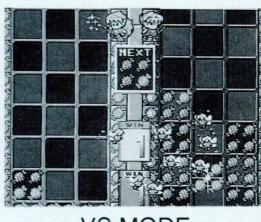
Jaleco



SOLDAM MODE



SEKIRO MODE



VS MODE

OK, OK, now we've had our fun. Time to get serious. Here's a game that takes some brains. Listen up.

Soldam is simple. Kind of. At the start. The puzzle game combines the best of both *Othello* and *Tetris*. It works like this: You have a blank board with five major parallel divisions. From somewhere, Mars perhaps, an multi-colored array of beads falls down into the playfield. Actually, they don't have to be beads, they could be crystals, gems, gumballs or little plutonium spheres, for all we know. At any rate, these tiny gumballs/nuclear trinkets come down in a tightly controlled square array of four at one time. They can be rotated by the player so that one particular color will fall on the bottom or top, depending on the player's preference or strategy. Sound a lot like *Tetris*? Admittedly it does. So far.

As the game progresses, the crystals from Mars start to collect and pile up on each other. After a while, the player will make two like-colors connect, and it is at this point where the game diverges from the rules of *Tetris* and becomes more like *Othello*. If you recall *Othello*, when similar colors at the opposite ends (well, technically, they don't have to be so far as to be opposite ends of the board, they just have to be separated) of the game board are lined up in either a straight or diagonal pat-

tern, that row will convert to that color. The more discs of opposing colors you have in your way, the more you convert, and, consequently, the more points you get. That concept has been directly transcribed onto *Soldam*. For instance, if there is a red sphere from Mars at point "A" and a similar one at point "B" that is on a direct line (diagonal or straight), it will convert all the other multi-colored interplanetary spheres on the line in between those two to red.

Now we go back to *Tetris* rules again and those nuggets that have been converted to red, plus the original two gems, will disappear, making a portion of the Martian gem wall collapse, thereby extending the game.

Levels of play go from 1-999 (This is not a typo) and can be played in three modes: 1) *Soldam* mode, regular play as above; 2) *Sekiro* mode, where play is interrupted for special scoring opportunities and play can only go up to level 60 and 3) *VS* mode, i.e. two player (*VS*, get it?? Versus.). Control is provided by a four directional joystick and two buttons.

Got it? Good.

For more information, contact Jaleco by phone at +81-3-3708-4830 or by fax at +81-3-3708-4822.

MAJOR TITLE 2 IREM SKINS GAME

Irem



Several months ago, we advised JAM readers not to go out on the fairways in a driving thunderstorm to swing a golf club in an open grassy field. We still abide by that gem of wisdom and feel that if one must play golf on a rainy day, that it be done in an arcade. Specifically, on a machine that can duplicate the real game in every aspect except the feel of winning thousands of dollars in a grand master's tournament.

And that's where Irem's **Major Title 2** game comes in. Known as the **Irem Skins Game** in the USA, this game, we predict, will soon be a favorite in country club pro shops around the world.

The player chooses one of two courses, either the long hole American course, or the short hole European course. Each course is suited to a specific type of golfer. The American course is lined with long, straight fairways that require power to make par, while the European course, although shorter, requires more handling and ball control skill on the part of the player. After the course is chosen, the player chooses one of four character players: 1) a magician (heaven knows we've all needed him from time to time); 2) a power player (good for the

American fairways); 3) a golf pro (a professional golfer) and 4) a technician (defined here as one who knows how to put that special curve on the ball when you need it the most). There can be anywhere from one to four human participants, the ones who actually put in the money, who can choose one of three modes of play. The first mode is the "skins" mode, akin to regular golf. Secondly, there's the "match play" mode where only two players can join in and then there's the "stroke play" mode where everyone can take part.

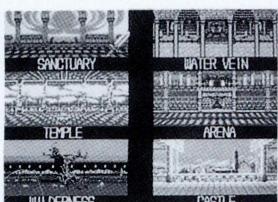
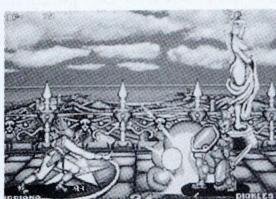
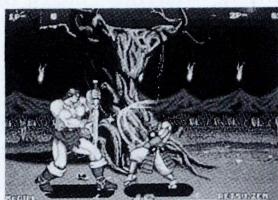
Control is provided by a two-directional joystick and two buttons that control what kind of shot you make, the kind of club you use, your swing power and your stance.

As if this doesn't make it challenging enough, just be warned that if you use too much power, you can make a nice divot in the grounds of the Irem Country Club. Talk about virtual reality!

For more information, contact Irem at +81-6-535-4885 during regular Japanese working hours.

BLANDIA

Allumer/Taito



Let's entertain a little thought for a second. What would happen, say, if you took the swordfighting chivalry of the legend of King Arthur and mixed it with some swashbuckling heroics and magic wizardry? What would you get? One possibility is **Blandia**, the new sword fighting game from Allumer and Taito.

Granted, the name *Blandia* by itself doesn't exactly conjure up images of fighting to the death, but that's essentially what the game's about.

It seems that, once again, six of the most powerful fighters on an isolated little archipelago have decided to have a little tete a tete with each other. [There is no intentional parallel to Japanese history here, despite the fact the stage for the game is an island nation of the coast of Eurasia.—Ed.] Players choose one of six characters. Going through the roll call, there's Gurianos, a peaceful man at heart who carries a long sword and shield; Diokles, a man who won't hesitate to attack anyone/anything with his battle axe and shield that stands in his way; Ireana, a nimble, speedy little lady who packs a sword to back herself up; McGill, a powerful muscleman who can challenge anything; Jurene, whose secret to power lies in her ability to perform

magic to debilitate bad guys, and then there's Retsu-Zen, a scary warrior who can continue an attack long after others quit. All fights take place at one of six scenic, idyllic locations on the archipelago. There's the ironically-named Sanctuary, Water Vein, Temple, Arena, Wilderness and the Castle.

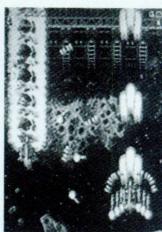
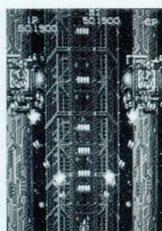
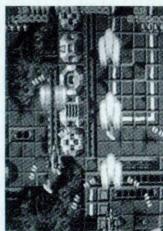
Control is provided by an 8-directional joystick and three buttons, with functions similar to that of *Street Fighter II*. In addition to performing defensive and offensive movements, fighters can jump and crouch to get out of the way of oncoming attacks or to launch a daring raid of their own.

For more information, contact Taito Corp. at +81-3-3222-4807 by phone or +81-3-3238-7965 by fax.

WHAT'S OUT

FINAL STAR FORCE

Tecmo



A long, long time ago (1984) in a galaxy far, far away (Japan), Tecmo released a game called *Star Force*. In it, mankind struggled for its very existence against a maddened beast-thing called Gordess. It seemed that Gordess had some kind of grudge against humanity and had the muscle to field a huge interstellar fleet that would hunt down and wipe out every last one of us. Without wasting time and asking "What did we do to you?", mankind and his governments skeedaddled into action (remember . . . this is only a game) and built sleek spacefaring vessels to defend the species. In the end, right and good (us) triumphed over wrong and evil (them). All was well.

Well, no it wasn't. Now, only a mere 2,000 years later, Gordess has been revived. By what and who, we don't know, but the fact is that he's back and badder than ever. Mankind, ever the wiser with another 2,000 years of experience under its collective belt, has vowed that they are not going to put up with his bi-millennial temper tantrums and will go all out to put the evil thing to sleep once and for all. This time, it seems, we really mean business. And so we find ourselves at the beginning of **Final Star Force**.

But when it comes time to really get out there and show this interplanetary mucous-brain what we're made of,

what do we have to go up against him? Our last two remaining battleships, that's what. The "Red Nova" and "Blue Nova." If they are our last two effective battleships, it's not out of the way to assume that they are around two thousand years old as well. We must ask ourselves two questions: What happened to the others? Is this a wise thing to do?

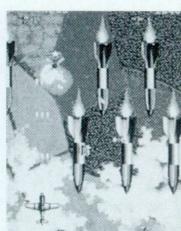
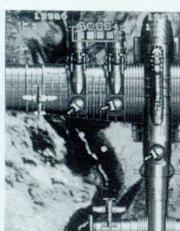
Well, the two battlewagons still got some kick left in them. When the 10-stage game starts, you only have essential weaponry, but as time progresses, you can choose weapons upgrades from one of three packages. There's the thunderlaser, homing missile, S-bomb set behind door number one; the wide spreadshot, missile and M-bomb set behind door number two; then there's the spray gun/SF and T-bomb set behind door number three. Essentially, your old ship can be turned into a flying fortress of unrepentant death.

Control is provided by an 8-directional joystick and two buttons (surprise!). Versions of the game have been released by Hudson Soft for the Famicom home game system. Tecmo's home version, incidentally, is called *Super Star Force*.

For more information, contact Tecmo by phone at +81-3-3222-7620 or by fax at +81-3-3222-7629.

ZING ZING ZIP

Allumer/Tecmo



In the late-40s and early-50s, when jets were just beginning to be perfected for military use, many people, aviators and laymen alike, thought the age of the propeller had wafted off into oblivion, only to be brought back at air shows and on TV.

They were wrong.

At least as far as the amusement industry is concerned. Allumer and Tecmo remember the achievements of those aircraft of yore and have built a memorial to that era of aviation in the form of a video game, *Zing Zing Zip*. Actually, the planes in *Zing Zing Zip* have a few more functions at their command than their authentic brothers of the sky.

The most unique thing is that this is the first game that has allowed players to "roll" their craft in midair. That is to say, usually, aircraft in these vertical scroll shooting games have hone either left or right. Period. No maneuvers, no depth. But now, by pushing the joystick either left or right, then rapidly in the other, your plane (a P-51 Mustang or F-4U Corsair) can roll to avoid enemy fire.

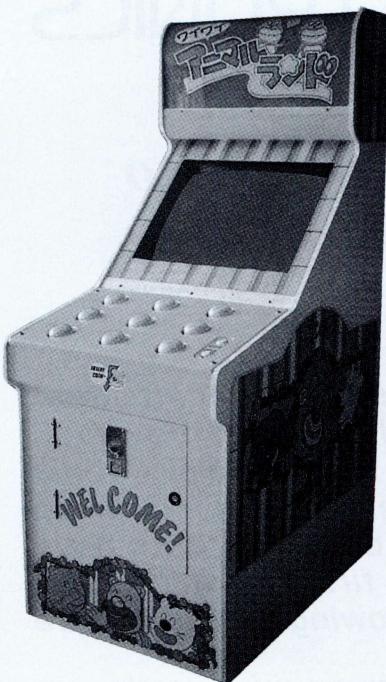
Your super-plane also possesses some firing traits that could only have been dreamed of in the 1940s. At the beginning of the game, you only have basic firepower, but along the way you can pick up a slew of fire-up options.

There are three categories of weapons that you can carry: fire, bombs and special. Fire weapons consist of a vulcan gun, shown in yellow, a laser beam, shown in blue and a fire ball aerial flame thrower, shown in red. Bombing weapons consist of three airborne missiles, a homing, X and sonic variety. Special weapons are the Jelly Bean Bomb, Max Fire Power-Up and (randomly generated) bonus points. Also, the grand prize of the bonuses, is the chance to get one extra life to extend your game playing time.

The seven-stage game is fully digitized for realistic action. For more information, contact Tecmo by phone at +81-3-3222-7620 or by fax at +81-3-3222-7629.

MONKEY MOLE PANIC

East Technology/Nakanihon Lease/Taito



Every so often, we come across a game that is so unique, we don't really know where to start. So, it is under that presumption that we commence our report on Animal Land, or as it will be known overseas, **Monkey Mole Panic**.

Simply, it consists of an upright cabinet, with nine large, white buttons, roughly the diameter of softballs, arranged in a square. On the video screen, three rows of animals, sitting three across, await your attack. For some reason or another, you are supposed to hit the animals on the head by pressing a button. When the button is pressed, a giant hammer comes out from the player's field of vision and attempts to crack the cuddly critter on the cranium. If you make contact, the animal receives a mark which indicates that it has been struck. After bopping all the animals on the skull, you clear the stage and go on. But there's a catch . . . there always is.

The animals, which range from alligators to crabs to cockroaches (yecch!), can get together and plan a counterattack to prevent you from making contact with their furry little skulls. One counterattack strategy of the animals is to wear army helmets reminiscent of Pre-Nazi Germany, and another is for

the animals to physically repulse you. A very logical response, but one that impedes your game progress anyway, so you have to be stronger than the animals.

And that's not all. Every five stages, there's a bonus stage where players, manifest as animals get into a timed weightlifting contest to see who is the stronger of the two.

Monkey Mole Panic was developed by East Technology and Nakanihon Lease. Sales will be handled by Taito. For more information, contact Taito by phone at +81-3-3222-4807 or by fax at +81-3-3238-7965.

BLACK ROSE

Bally



Occasionally it happens to everybody. You're sitting in traffic, not going anywhere. Miles and miles of nothing but modern civilization in all its concrete and steel glory. With nothing to do except memorize the license plates of other cars, you start to daydream. You daydream about a time and place far removed from reality. "Ahh, what would it be like if . . . If . . . I were in the Caribbean. A tourist? Nahhhh. I'd rather be a pirate! Yeah! Sailing a ship on the high seas. The stuff of novels! Now that would be living!"

Well, such a life is not that far removed from reality anymore. As a matter of fact, it's just as close as your neighborhood arcade. **Black Rose**, Bally's latest pinball effort, incorporates all the adventure of sailing the oceans in search of loot with the fun of modern digitized pinball.

The playboard is, naturally, done up in a pirate motif that looks like it came right off a Guns-n-Roses album cover. Plenty of skulls and crossbones, knives and knaves. There are point opportunities galore as players can try to go for Davy Jones' Locker, Pirate's Cove and the Whirlpool Ramp, which can lead to a one million point bonus. Just in case mankind has grown a little staid over the past 300 years and has forgotten what a pirate's mission is all about, the words SINK SHIP are emblazoned in the lower center portion of the game table. If the player can light all the letters to this deadly credo (hint: by using the swiveling cannon in the middle of the

board to fire at valuable objects), he/she will get a cool 10 million points, and the enemy ship is sunk. Now, isn't that more fun than sitting in some boring office all day?

Black Rose also features a dot-matrix display that offers three pirate video modes where the player is challenged to throw knives, swing from the rigging, and jump the plank to swim for his/her life for extra points. (Swimming for your life, in this case, is defined as escaping from a shark. The dot matrix display, meanwhile, offers some poignant advice and flashes the word "Swim!" just to remind you of what you should do.) A music soundtrack plays pirate music, whatever that is, throughout the game to keep the tension at just the right level. The game's characters are a veritable motley crew of ocean-going outlaws. There's a cast of saber brandishing swabs and mates, as well as one fellow who looks similar to the Blackbeard of classic pirate lore, but the main character, the one we can assume is Black Rose, is a fierce looking, sword wielding, voluptuous woman with a black rose tattooed on the side of her right (half-exposed) breast. Not the kind of girl you'd take home to mother, but wilder than the kind you would.

For more information, contact Roger Sharpe at Midway Manufacturing at +1-312-267-2240 during regular US business hours.



KAGA ELECTRONICS

Mr. Isao Tsukamoto

President, Kaga Electronics Co., Ltd.

When people talk about the amusement industry, the spotlight of attention generally falls upon the different machines or arcade locations. However, there is a variety of other related fields as well. One such field is the electronic components industry. As a supplier of these components, Kaga Electronics Co., Ltd. has maintained deep connections with the industry as both have grown over the years. Founded in 1968, the company first registered and issued stocks in December 1985. In December of the following year they were listed on the second tier of the Tokyo Stock Exchange.

In their 1991 annual report, Kaga reported sales of Y47.5 billion (\$377 million), an increase of 13.5% over the previous year, and a rise in pre-tax profits of 7.5% to Y2.32 billion (\$18.4 million). In order to get some more details about the company's operations and its relationship with the amusement industry, we recently sat down for a discussion with Mr. Isao Tsukamoto, President of Kaga Electronics.

Four companies in one

JAM: Your company supplies electronic components for video games, with one division devoted wholly to this area. As a company in such a position, we would like to get your views today on how both the field and this industry appear to you.

According to last year's financial report, income for Kaga Electronics had increased over the preceding year; from Y1.96 billion (\$15.6 million) to Y2.32 billion (\$18.4 million). Before we discuss your thoughts about the industry, we would like to ask you for this year's fiscal results.

MR. TSUKAMOTO: Sales dropped off to Y43.9 billion (\$348 million; a 7.7% decline), while pre-tax profits fell to Y1.83 billion (\$14.5 million; a 21.2% decrease). Operating profits actually increased, but in the final analysis we recorded a loss in profits.

There are two basic reasons for this. One is the drop in the value of stocks caused by the collapse of the "bubble" economy. This accounted for approximately Y1.6 billion (\$12.7 million) and includes long

term holdings, that is to say, stocks that financial organizations hold in reserve over a long period of time without trading. The other reason is that a number of clients went bankrupt, leading to a loss of some Y740 million (\$5.87 million).

This forthcoming year, we expect these problems to disappear. Regarding stock trends, or at least regarding bad credit and client bankruptcies, we are going to exercise great care and also manage credit issues with greater diligence. We are taking the positive approach and aiming for Y2.5 billion (\$19.8 million) in the coming year.

JAM: How did gross sales fare?

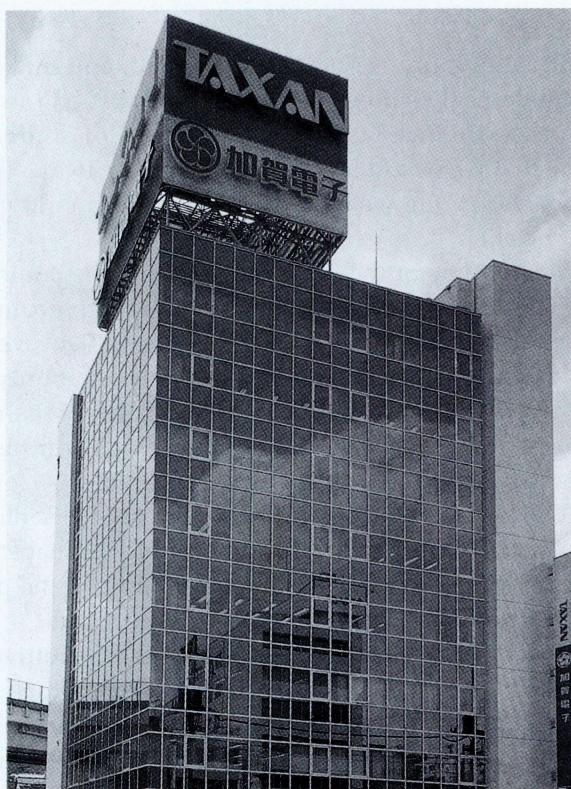
MR. TSUKAMOTO: Compared with last fiscal year, they went down by 7.7%. The reason for this drop is that in April of last year we used Y100 million (\$794,000) as start up capital for a new company, Kaga Device Co., Ltd., formed out of the units within our company that used Mitsubishi Electric's semiconductors and equipment exclusively.

JAM: You actually have four related companies in the domestic arena. In addition to Kaga Device, there is also Naguzatto, Taxan Systems, and Borutech.

MR. TSUKAMOTO: Yes, overseas we also have Q

Squared Service, Inc., Taxan America Inc., and Taxan USA Corporation, all in the U.S. Our European base of operations is Taxan Europe, Ltd., in England.

If you add together the sales lost from the establishment of Kaga Device and those from Taxan Systems, a company founded last July [1991] with Y50 million (\$397,000) that handles sales of Apple computer systems and terminals, they amount to around Y4 billion (\$31.7 million). This would represent a major boost to our sales.



Kaga Electronic's (rented) Tokyo headquarters building.

JAM: In a sense, your company actually operates on four fronts: components, technologies, production, and trade. What are the details behind this arrangement? How did it come to be this way?

MR. TSUKAMOTO: At the time the company was founded in 1968, we started out as an electronic components firm, and gradually began to attract a lot of inquiries from interested customers. However, owing to COCOM [*Coordinating Committee for Export Control*.-Ed.] and trade friction problems, both the Ministry of International Trade and Industry (MITI) and semiconductor manufacturers enacted certain adjustments related to distribution, especially that of semi-conductors, and so we were unable to realize much of a profit as a distributor.

At that point, we recognized that it would be difficult to create an added-value product by only distributing components here and there as a broker of sorts. We decided to move in the direction of increas-

ing our technical capabilities and raising the value of our products, creating something more useful for the customers and giving us a degree of profits besides. As a result, although we started out specializing in the sale of components, we also became a technical firm, a company that adds technological improvements to its goods. This is how our technological facet manifested itself.

By adding this ability to our repertoire, we were able to receive both half-completed and completed circuits from our customers, rather than just the basic components. We don't have our own factory. Rather, we consign the production to factories with which we have capital tie-ups or exclusive manufacturing contracts, enabling us to deliver completed products to the customer. In this way, we also operate as a manufacturer.

Finally, it goes without saying that we have to sell our products overseas, and so we also put on our trading firm face. This is how the four aspects of our operations came to be.

At the time our company was founded, the world was in the midst of an electronics revolution which affected all fields. If you consider the time spent in developing all of these different project areas, you could say that we were founded over a long period of time rather than all at once.

A convenience store and no warehouse

JAM: How did you go about your operations at the time the company was founded?

MR. TSUKAMOTO: We started out with our base in Akihabara [*A neighborhood in Tokyo that is famous for its numerous electronics shops and discount prices.-Ed.*]. Unlike other companies in the business, we operated as an electronics convenience store of sorts, bringing together everything a customer could want, from condensers and semiconductors to knobs and switches. Our business started out offering virtually everything.

Most other companies have one supplier and however many customers. Because we started out with this aim of handling everything the customers could want, however, we had 600 suppliers and some 2,000 customers.

JAM: Your company was founded 24 years ago. Could you please tell us about what you did before that?

MR. TSUKAMOTO: I come from Kanazawa in Ishikawa Prefecture. That's where the name of the company comes from [*Kaga is the name of a city in the southwestern part of the prefecture.-Ed.*]. Actually, I dropped out of high school after one year, and went to Tokyo in 1960. Through my uncle's introduction, I

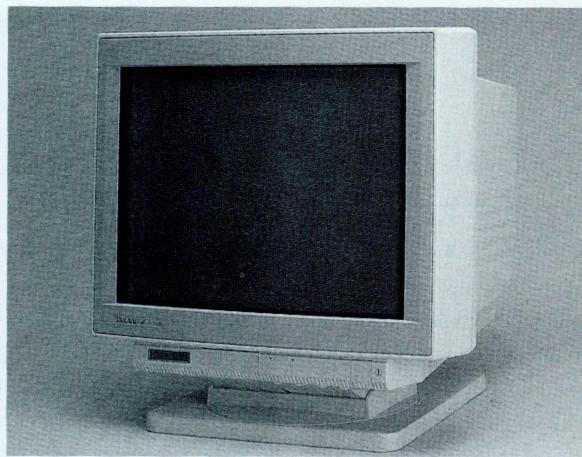
was employed at an electronic components manufacturer called Violet Electric.

Of course, given the fact that I had only finished junior high school, I took up a set of pliers and for about two years worked together with the female factory workers assembling components. After that, I worked in the operations division for seven years. I then quit that company, and served six months as an executive for an Akihabara electronic components company.

In February 1968, I borrowed Y200,000 [\$1,590 in August 1992-Ed.] from my father and started Kaga Electronics. In September of that year, we were incorporated with a capital base of Y1 million [\$7,940-Ed.]. At first, whenever we received an order, we didn't have the money to purchase the component, so we would often have to humbly ask the customer for their money up front in cash.

JAM: What gave you the idea to set up your own firm?

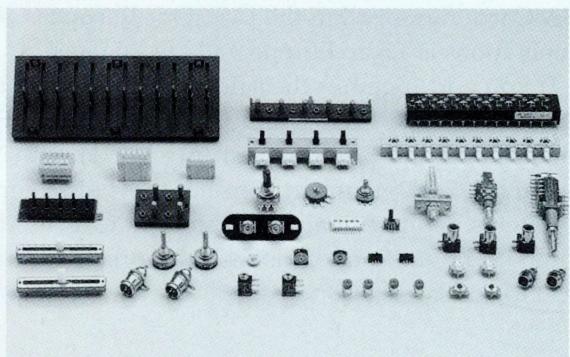
MR. TSUKAMOTO: When I walk around the sales floor, I'm always picking up and putting down condensers, or switches, or whatever. When you're 25 years old, you have an interest in things like that. I was curious about trying to handle everything rather than just finished goods from the big manufacturers, so I gave it a try.



JAM: How does the administration and operation of your company differ from others?

MR. TSUKAMOTO: Perhaps it's in that we have no warehouse. When we started, I had the view that if you put something in storage, you're putting your money to sleep which is going to quickly have an effect on your available operating funds. Given that we couldn't borrow such funds from the bank, we weren't able to add on a warehouse. In that sense, we continue to have the same youthful company spirit that we had at the time of founding. Even on the scale our operations have reached today, we still have no more than seven days worth of stock.

If we had merchandise in storage, then the operational side of our business would become weaker. We



would be planning less for the future, and making technological changes would become difficult, with the result that we would end up with a lot of "dead" stock that we would have to simply throw away. That is not something we have to worry about in our current position.

At the time of the [Space] Invader game boom of 1978-1979, there weren't enough ICs to go around. Given that we don't have a warehouse, we flew everywhere to fulfill customers' orders. It wasn't only in Japan: naturally, we went to the U.S. and Western Europe in our search. We went as far as Southeast Asia and communist bloc countries as well.

Given that after that we have been able to achieve a balance between receipts and payments, perhaps the days of sustaining a loss were solely those of the previous period when the value of stocks dropped.

Since our founding, we have never discounted a single bill, nor have we ever borrowed more than we have had in savings. Looking at these factors, I think you can say that we have run operations entirely without any borrowed funds.

CB radios and FamiCom

JAM: While this is an image of steadiness, your company also has an aggressive side, doesn't it.

MR. TSUKAMOTO: This is because the average age of our employees is rather young. When we opened our store front to the public in 1985, the average age was 25.9. Even now, we don't employ anyone over 29 years old. At that time, we had one of the youngest staffs of any corporation with a store open to the public [in this industry].

JAM: Next year, your company will be 25 years old. What points during that 25 year span helped in the expansion of the company?

MR. TSUKAMOTO: One was the CB transceiver boom. In 1974, around the time of the oil shock and the dollar shock [The value of the yen was set free and shot up to Y308=\$1 in 1971.-Ed.], we were able to sell a large number of units to American truck drivers.

Next was with arcade games and the Invader game phenomenon that began in 1978. After that ended, we were able to hook into the personal computer and then the FamiCom booms.

JAM: *It looks like you've been able to ride on these waves rather well.*

MR. TSUKAMOTO: There are those who say that "Kaga Electronics has been fortunate in getting in on these booms." However, given that we handle electronic components, we have to work very hard at collecting and interpreting information to try to figure out what the next type of hot machinery will be. At the time of the FamiCom boom, we hired an extra 200 employees to help with software development for the purpose of getting involved in that market and so were able to develop a considerable amount of products for it.

Conducting "strategic" operations

JAM: *Your amusement operations division was inaugurated this past April. Please explain a little bit of its background.*

MR. TSUKAMOTO: Essentially, its number one purpose is to be able to conduct strategic operations, that is to say, operations that take into account the whole picture rather than just particular areas. It collects information about and from the industry, plans appropriate products, and makes itself useful to our customers. Previously, we had had an operations person, a video person, and an audio person, and so were unable to perfectly coordinate our operational activities. Then, one year ago, we formed a special machine operations division which focused on the pachinko and pachisuro [pachinko-slot combination machines-Ed.] industry. Because it was a success, it served as a use-

ful step forward. For the future, I would like to have perfected an operational structure wherein we can move swiftly in response to a particular industry, for example with personal computers.

JAM: *How important are amusement operations within your company?*

MR. TSUKAMOTO: If you include pachinko, arcade games, and home game related products, I would say it represents somewhere around 30% of our business. Given this proportion, we are really interested and looking forward to the developments within the industry, such as the trend towards larger machines and theme parks.

JAM: *What is the most important issue facing your company now?*

MR. TSUKAMOTO: As I mentioned before, we don't have stockrooms. All of our products are individually stocked and sold. This being the case, you could also mention the need to create a unified body of all these individual stores.

Our specialized operations division became very important because we were unable to perform these strategic operations. As such, our corporation had a sort freelance-type structure ever since our founding. Since the time we were listed on the stock exchange, we have been faced with the question of how best to become a company that has a proper structure while still maintaining elements of the freelance organization with its accompanying freedoms. In order to do this, I think we would be better off developing into a Kaga Electronics Group, with different brands and companies for the different businesses, industries, and products.

First tier of the TSE ?

JAM: *I'm sure there have been many trials and tribulations over the last 25 years. In retrospect, how does it look?*

MR. TSUKAMOTO: I myself am the founder of this company and I don't think it was particularly difficult. I have been blessed with excellent employees. I had a lot of help from them in the establishment of new business locations and new companies.

The effort has instead gone into providing for the welfare of my employees. I haven't been hesitant with money for things like cottages and yachts that the employees can use; my belief on these matters is such that we have no permanent fixed capital. Even our headquarters building is rented. Ever since this company was founded, our basic tenet has been that this company is for the employees.

JAM: *What is the next goal for Kaga Electronics?*

MR. TSUKAMOTO: Our goal is to be listed on the first tier of the T.S.E. by our 30th birthday. ■



As the Japanese coin amusement industry continues to expand beyond traditional boundaries, more and more companies are branching off into different lines of business. One of the results of this phenomenon has been the rise of the manufacturer-operator, Matahari Inc. As of November of 1991 income was reported to be Y1.631 billion (\$12.9 million), a 31.2% increase over the previous year. We sat down with President Hideaki Yamanaka to talk about the company's fortunes.

\$16.7 million by March 1993

JAM: I'd like to start off by asking you about the figures for this past accounting period . . .

MR. YAMANAKA: Well, the first thing that I think I need to mention is that, as of this year, our accounting period has changed. The Y1.631 billion (\$12.9 million) figure represents the situation as of November, 1991. However, the new accounting period will run from April to March, and the four month period from November of last year to March of this year saw sales of Y4.13 billion (\$32.7 million) and operating profits of Y738 million (\$5.85 million). At this rate, we can predict sales of Y12 billion (\$95.238 million) and operating profits of around Y2.1 billion (\$16.7 million) by next March.

JAM: Last year, when your company's fiscal calendar still ran from December to November, operating profits for the year were forecast to be around Y1.5 billion (\$11.9 million), up from around Y1.243 billion (\$9.8 million) the previous year. Yet the final figure for the year, around Y1.63 billion (\$12.9 million) was actually a little better than you had predicted. When you think about the fact that many new arcades will open and that existing locations will be upgraded, it might be necessary to revise your four year sales goal of Y30 billion (\$238 million).

Mr. Hideaki Yamanaka

President, Matahari Inc.



MR. YAMANAKA: At our yearly board meeting, we did just that. Our new mid-term sales goal calls for yearly sales of Y60 billion (\$476 million) by 1996. As of last year, we seemed to be well on our way towards reaching this goal. 1996 will mark the 50th anniversary of the founding of our company, a great milestone. We therefore decided to adopt a plan befitting the occasion. However, we are not going to achieve this figure by placing importance on the opening of new locations, but rather by expanding our business ventures. For example, in March of next year we will enter the pachinko industry with Aeru Kogyo, a major player in that industry. Taking this move into consideration, we came up with the Y60 billion figure.

JAM: Previously, Matahari had kept these two businesses separate. Are you now going to now try and combine them?

MR. YAMANAKA: We recognized that if profits from games were great, we could expand our business even more. Pachinko has undergone many changes in recent years, beginning with the introduction of pre-paid cards. Therefore, I think that, in the future, even if a business that has pachinko halls is able to open a game arcade, it is best to start making preparations now. [Traditionally, pachinko parlors and game arcades have been owned and operated separately and one does not normally find pachinko machines in video arcades. This is due to a number of reasons, both political and social. Both industries grew up separately during the post-war period and in Japanese eyes, they are completely different-Ed.]

JAM: Do you think that such a possibility (of combining pachinko and arcade games) will come about in the near future?

MR. YAMANAKA: Prepaid cards are part of the Finance Ministry's efforts to clean up the pachinko industry [Each year, the pachinko industry is listed as one of top earning industries. The Ministry of Finance, by issuing such cards, hopes to collect the appropriate taxes from those pachinko owners who are under-reporting their profits-Ed.]. I myself don't have a great deal of desire to put a lot of effort into the development of the pachinko industry. I want to concentrate on games.

JAM: I see. As far as arcades are concerned, this is your company's strength.

MR. YAMANAKA: Well, our strength is currently limited to the number of locations that we have. I hope that we can also balance things out by gaining a strong capital base from which to operate. Our strategy is not to have just a bunch of arcades, but to have locations with spacious dimensions. We therefore want to develop complexes that are a minimum of 200 tsubo (1 tsubo = 36 square feet). We also have plans to set up karaoke boxes in movie theaters and you can look for the first such location around May of next year. Of course, the one thing that game arcades, karaoke boxes, and pachinko parlors have in common is the customer service aspect. Obviously, our company as well must offer a high level of service. This includes such things as interior and exterior design and personalized service. We are now directing our efforts towards providing a high level of satisfaction for our customers.

A High Level of Customer Service

JAM: I would now like to ask you about the human resource factor. When we spoke last year, you said that this was an area that you considered very important and that this year you wanted to hire a total of forty people, including 10 college graduates. Where you able to meet your goal?

MR. YAMANAKA: Unfortunately, we fell a little bit short and ended up hiring a total of 35 people, ten of whom graduated college. We now have a total of around 150 employees. Next spring, we hope to hire around 50 people, including 15 college graduates. Previously, we had decided on the number of locations we would open through 1995 and realized that even 40 or 50 more people would not be enough.

This year, in addition to bringing in more people, we also want to make an effort to continue employee education efforts. We only began recruiting new graduates a couple of years ago and have been learning how to respond to their needs. What we have



◆ Matahari Headquarters in Kanagawa



found is that one of the most important employee demands was a company dormitory, due to the fact that housing in the cities is ridiculously expensive. In addition, things like weekends off and the condition of the workplace are also important. If we make these adjustments, our employees will become all the better. In the end, this will lead to good personalized service for the customers.

However, since we have such a high investment in personnel, we must take the lead and show them what to do. Although we can create unique locations, we must also place importance on dealing with the "soft" aspects of business, including maintenance, management and operations. Our company has begun what we call MBC operations ("My Best Clean") with the aim of achieving consistent industry and personnel results by commendation. This means checking employees for everything from dress to attitude. Of course, sales results are not directly related to this program. However, by undertaking such activities, we think that it is important for one's knowledge and consciousness to be reformed. When this occurs, the location itself will be judged to be of high quality because the people will be of high quality.

In terms of employment and employee education, we realize that we are not as strong as the major players in the industry. Therefore, I think that the top priority issues for this company are the strategy and management of our personnel resources.

JAM: I have heard that some locations have had to close due to these kinds of manpower problems, even if they can get money from the banks to open . . .

Amusement Business = People Business

MR. YAMANAKA: At present, although banks are pursuing a tighter lending policy, there are a number of nonbank organizations and leasing companies that are looking at our industry with excited eyes. They are infusing the industry with a lot of money and intense competition between various locations is now occurring. Investment is a good thing in order for the business to grow. However, unless you adjust your personnel needs as well, the balance will be upset. Now matter how many locations you open up, people are still your most basic resource and you have to think of the amusement business as people-oriented.

JAM: "Business is People" is a saying by which Osaka merchants have long conducted their affairs. I get the feeling that the amusement industry as well is beginning to realize the importance of this saying.

MR. YAMANAKA: A while back, I proposed the creation of a consolidated research center to Mr. Nakayama of Sega Enterprises. As I just mentioned, personnel strategy and employment are concepts that all operators have recognized as part of the "Business is People" strategy. However, the problem now is not one of recognition but how to bring about such changes. The unfortunate thing is that there are not a lot of other people asking if anyone cares or not. I think that there are some people in the pachinko industry as well who have the same kind of do-nothing attitude about personnel management. The difference between a company that makes an effort and sees results and one that doesn't is also represented in this way.

JAM: Changing the subject, a lot of operators are asking the question of what will happen when the crane game boom fizzles out. These games account for an average of 20-30% of a location's revenue. However, your company has already gone beyond the crane game boom to other things.

MR. YAMANAKA: If crane games peak in popularity, then the competition will become even stiffer. Crane games have great weight at the moment. However, this is an industry that constantly goes in and out of booms. Therefore, I think that when crane games finally lose their popularity, something else will come along to take their place. Yet, when you take a look back on the history of the amusement industry, you find that although the profit levels were high, the industry has failed to pay attention to customer service. By continuing these basic methods, the industry will continue to grow.

JAM: The amusement industry has doubled in size over the past two years. This year as well the rush to open new

locations continues unabated. A strenuous effort is being made in the cities and suburbs to open new locations. However, I get the feeling that market size is no longer compatible with the number of new locations opening.

▼ The PIA Members Card



MR. YAMANAKA: Oh no, I don't think that the market will be saturated. This is because the different players in the industry are diversifying. I think that in the future, you will see more and more locations that offer a variety of goods and services and expand into other businesses. In our case, we are expanding into pachinko and hopefully other companies will expand into the department, hotel, and home center sectors through new channels as well. Of course, with the intensified competition, it is natural to expect that a few companies will be weeded out. What I mean to say is, on one hand, opportunities will dry up while on the other, new systems will be born. The industry will thus keep revitalizing itself as new opportunities arise when old ones pass away.

JAM: I see. By solving the problem of how to attract new customers, the market size will gradually expand.

MR. YAMANAKA: Sometimes, when I am traveling, I will stop in a local game center and just take a look around. It seems like no matter you go in Japan, all of the attendants are wearing some kind of uniform and providing direct customer service. Such attention to detail and customer needs shows that the market has expanded and the consciousness of the industry has changed.

JAM: When you look into the long term future, and include such things as the expansion of the area of amusement locations, what kind of plans does your company have vis a vis arcade strategy?

MR. YAMANAKA: As for large-scale locations with an estimated monthly sales volume of over Y50 million (\$397,000), we plan to have more of these kinds of locations in some of the larger and medium sized cities throughout Japan. We are also talking to some of the major players about possible business ventures. Within five to seven years, I think that we can greatly expand our base of operations. Just recently, we opened up two new locations in Tokorozawa and Atsugi, near Tokyo. The location in Astu-

gi contains both amusement machines and karaoke. We have other projects in the works as well, including a joint venture with NTT (Nippon Telephone & Telegraph) that will allow us to use our pachinko computers to create an information systems network.

On the Move in Kawasaki

JAM: Then the Tokorozawa location is the farthest from your Tokyo headquarters at the moment.

MR. YAMANAKA: Yes, but next year we're going to set up larger locations even further away! (laughs) In addition, I think pachinko is a good weapon for the amusement industry. In the future, I want to develop and make use of this amusement form. Therefore, we have no thoughts of just setting up a simple pachinko parlor. As a matter of fact, we have already set up a combination pachinko parlor/amusement complex near Kawasaki station. The first floor is a pachinko parlor and the second floor is a diverse amusement complex. We are now in the process of remodeling and expanding the second floor amusement space and plan to add even more attractions. What really sets this location apart is its interior design, which includes a giant water cistern between the first and second floors. I should mention that this renewed location will open on December 10th of this year.

We are predicting gross profits of around Y100 million (\$794,000) for the first floor alone and approxi-

mately the same amount for the second floor when it reopens.

JAM: With all of the new openings it looks as if the total figures for the year will grow larger than ever.

MR. YAMANAKA: Now that we have finished consolidating our efforts, we are planning to operate a number of locations beginning this summer. I think that this year's figures will expand somewhat, but I think that we'll really start seeing results by 1995. The present profit level stands at roughly Y3.5 billion (\$28 million).

For our pachinko parlors, we have a number of ideas and promotional events that we're undertaking, including customer management, competition, and a number of related services. These are things that other pachinko parlors have never thought about doing before, and everyone is very excited. In our Yokohama location, which has only recently opened, we have passed out information on the new machines and sponsored a number of events. Over 800 people have registered for our prepaid member cards. As I mentioned before, we are making every effort to promote this location as not merely a pachinko parlor in the well known sense, but as someplace new and different; someplace that is similar to the super arcades that have been appearing recently.

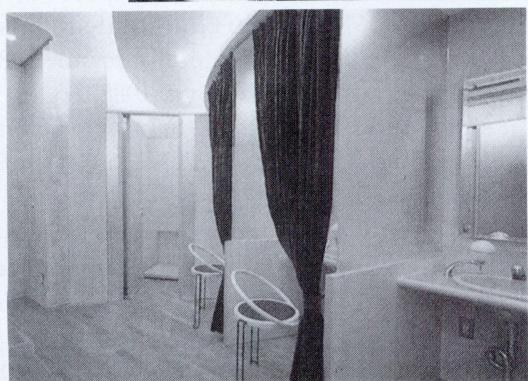
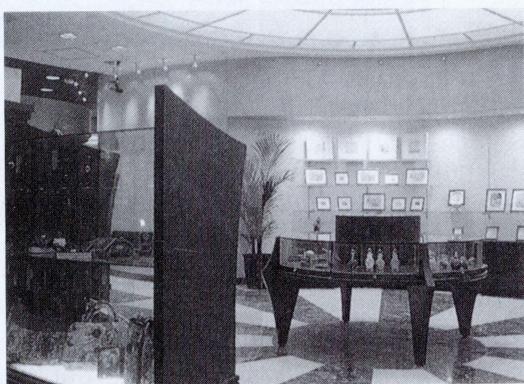
JAM: We talked about a new structure when we spoke last year, at which time the company was beginning to move to revitalize itself. When did you become motivated to rethink the entire approach to the industry?

MR. YAMANAKA: It was back in 1988 that I gave serious thought to the human resources problem. There were personnel problems at a well-known manufacturer, and I realized that things simply couldn't continue to run the way they always had. The more you come into contact with something, the deeper you want to become involved, and I knew I had to respond to the environment around me.

JAM: As for your relationship with the banks, do you feel there has been a change in attitude towards the amusement industry?

MR. YAMANAKA: With all of the different changes that have occurred over the past few years, the banks have taken a very different view towards our industry. We are now viewed favorably by the banking industry for our personnel and management methods. I sometimes have lunch with the president of our local bank and one time he told me that "While I'm having tea with you, I'm also watching you." Likewise, we are being watched closely by the banks, and whenever one is being watched, one cannot help but notice those things that they may ordinarily miss. In the case of personnel management, an arcade manager has to watch his part time staff carefully during work. By doing this, and by constantly watching themselves as well, their consciousness and attitudes will change.

▼ Matahari's newest addition, PIA





TECMO

Mr. Nobuteru Osada

Managing Director, Tecmo

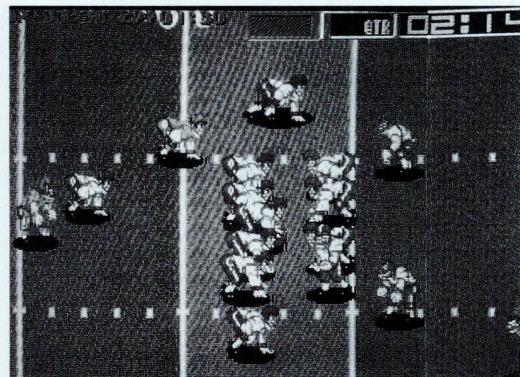
Tecmo has been around for only 26 years, since just before the start of the video amusement revolution. Over the years, the manufacturer/distributor has grown into one of Japan's larger amusement corporations. At the JAMMA show this past August, the company had a 50-booth space exhibit, proof that it is on the verge of joining the ranks of the major forces in the industry. Recently JAM sat down to talk with Mr. Nobuteru Osada, Managing Director of Tecmo.

JAM: First, I'd like to ask you a little about the results of the fiscal year that ended this past March . . .

MR. OSADA: We recorded sales of Y14.353 billion (\$115 million) and operating profits of Y1.617 billion (\$12.88 million) over the past twelve months. This comes out to an increase of 17.2% and 6.2%, respectively, over the year before last.

JAM: How does that break down by divisions in the company?

MR. OSADA: All of our sections did quite well. Our game sales and operations reported a total income of Y4.07 billion (\$32.3 million), a 34.8% gain over last year, while our home game software sections did Y2.89 billion (\$22.93 million) in business, gaining 12.8% on the year. The most impressive increase was in our amusement locations, though. Although they made only Y1.771 billion (\$14.05 million) in sales, this



A Scene from Tecmo Ball

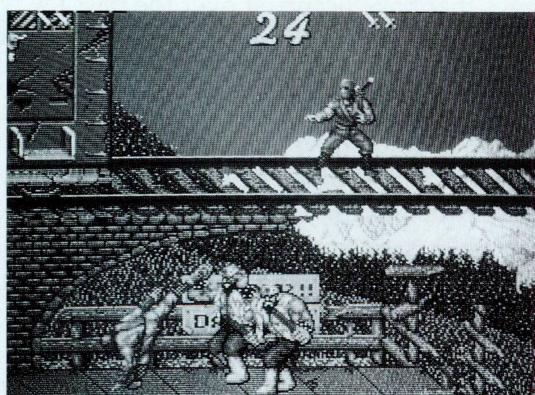
amount represented a 43.0% increase over the year before. Overseas, we had total sales of Y5.6 billion (\$44.44 million).

JAM: In the year before last (1990), operating profits didn't increase as much as you originally thought they would. What are your thoughts on this?

MR. OSADA: Yes, this is true, but because we had a very good year in 1989, it didn't hurt quite as much as it would have. To be specific, total sales for 1989, our 24th fiscal year, were up 145% over 1988.

JAM: It should be no coincidence. It was around 1989 that Tecmo launched its Tecmo Ball and Ninja Gaiden for the NES system in the USA, right?

MR. OSADA: Yes, but sometimes success comes from out of nowhere in this industry. Therefore, when it happened to us, we made sure our sales and profits would react "smoothly." By smoothly, I mean continue to be stable and firm and not volatile. That's just the



A scene from Ninja Gaiden

way we do things here. It's our "Tecmo Style."

JAM: Most manufacturers have become more competitive in the face of an increasingly hostile sales environment overseas. As a result, many companies are trying to make up those losses in the domestic market. Is Tecmo looking at this problem from a different angle?

MR. OSADA: Yes, we are. Tecmo products have a good reputation overseas at the moment and we want to preserve that.

JAM: Tecmo has taken a comparatively cautious stance in regards to entering the home game market. Can this be interpreted to mean that the company takes the home market lightly?

MR. OSADA: I think it should be the other way around. We're just not going to enter the home game fray blindly. We've been doing a lot of training and placing an emphasis on making high-quality software. The results are visible in games such as *Tecmo Ball*, which has been warmly received.

Tecmo's plan to hop, step and jump across the competition

JAM: A couple of years ago, in a previous interview, we talked a little about Tecmo's "Hop, Step, Jump" plan of expansion. In 1989, Tecmo was getting a running start, so to speak, in preparation for the "hop" phase of the plan, which started in the fall of 1990. Where is this plan now and what has happened to it?

MR. OSADA: Well, we have just moved into the "step" phase of the plan. I think you'll see a lot more token and carnival games in the next few shows that we attend. This is the phase of the plan where we are going to try to expand the availability of our games so that they will reach a wider audience.

JAM: So the first stage of the plan, the "hop," was thought of primarily as the stage where Tecmo would expand its product lineup, whereas the second phase, the "step," would make those games available in a greater variety of game centers around the nation, thereby increasing sales and recognition of Tecmo.

MR. OSADA: Well, yes, but I don't think we will ever be like another conglomeration, I can tell you that. I don't think we'll ever see those kinds of sales. We can, however, keep developing and supplying the market with original, new games that have a high earning potential.

JAM: Tecmo has also poured a lot of energy into the development of its mid-size games and cabinets as well.

MR. OSADA: Yes, and we've achieved considerable success with both our own games and ones we handle for other companies, such as the *X The Ball* token game, *A.G. Soccer Ball*, the two-player flipper

game, the *Kyotaro* video game cabinet and the *Sidewinder*, carnival game. I expect that there will be many more interesting developments in the near future.

JAM: You'll be displaying those machines at upcoming trade shows, won't you?

MR. OSADA: Of course. We will try to have an exhibit where we can display all of our machines together at once. Also, we want to display our interconnected carnival games and prize games that have automatic resupply functions.

JAM: As opposed to this past winter's AOU show, you won't be displaying those products that are in development, but only those that will be released on the market soon.

MR. OSADA: That's right.

JAM: At the 1989 JAMMA show, Tecmo had a mass exhibition of all of their new machines. All of those new games were different than anything we had seen up to that time and it was a very impressive display. It seemed that Tecmo was on the cutting edge of game design then.

MR. OSADA: At that show, we were among the one of the first companies to display carnival and token games in what was then an all-video show. At the time, people were very surprised to see that we would do something like this. It takes time and patience for a change of this stature to take hold, but once it does, it becomes established practice within the industry.

JAM: When do you think Tecmo will be ready to start the "jump" phase of the plan?

MR. OSADA: I expect that we'll be up for that in another two years, during our 29th fiscal year. From



The "Tecmo Fantasy World" location in Kisarazu

here on, I think sales and profits will experience a dramatic upturn in the near future and, at the same time, we are set to embark on an extensive employee education and training program.

Sales and Employees: A Direct Relationship

JAM: So you think that the relationship between sales results and employee ability is a directly proportional one, both quantitatively and qualitatively?

MR. OSADA: Yes, I do. Since we don't have an extensive nationwide sales office network, you would think that I could work closely with our offices and monitor what goes on in most major cities, but that's not the case, because it takes two or three years for an employee to be totally versed in all aspects of sales and marketing and to get to know certain area intimately. This is what it takes to win out there.

We want to expand our office network, but in order to do that, we have to hire more people. Therefore, one of our greatest priorities now is on our sales and marketing departments.

JAM: So, it seems Tecmo has plans to expand its line up and improve its personnel.

MR. OSADA: First, we must concentrate on expanding our product line, then we can go after improving employee training. As far as branch offices go, we hope to expand to Nagoya, Osaka, Hakata and Sapporo in the next two years. By that time, we will



The Sidewinder carnival game

be ready to put the employee training programs into practice.

JAM: Tecmo really seems determined to improve the quality of its personnel. How many people do you intend to hire next spring?

MR. OSADA: Approximately 1,450 people attend our open informational interviews held at our head office. Of those, we expect to hire around only 50 new graduates.

JAM: Only 50? That means an applicant has only a one in 30 chance of being hired.

MR. OSADA: At the moment, we plan to take on more than 50 people next year. Last year, many industries fell victim to the recession and, as a result, cut back on how many people they hired. We, on the other hand, are going to hire more people than we would in an average year.

JAM: I'd like to turn your attention now to Tecmo's locations. Around Japan's larger metro areas, the company has opened and now operates about 30 arcades. About four years ago, two stores were opened, one in a Sogo Department Store in Kakogawa and another at the Chujitsuya Store in Kisarazu. Do you plan to emphasize bright SC and suburban locations from here on?

MR. OSADA: We intend to follow up on it. Besides, we think that the time has come for us to construct more large-scale locations around the nation. It wouldn't hurt us at all because personnel costs in larger locations is almost the same as that in smaller arcades.

JAM: Over the previous period, there has been a 43% increase in sales in your locations. Three years ago, on-location activity accounted for 10% of your gross sales.



The White Kyotaro Cabinet

How have these figures changed lately?

MR. OSADA: It's now up to 13%.

JAM: You was advised to scrap its old roadside locations at one point, weren't you?

MR. OSADA: Yes, we were. However, we will continue to establish such locations in the future.

JAM: The first half of the year is over. What does the company have in store for the remainder of the year?

MR. OSADA: We plan to open another two or three large-scale locations by the end of this fiscal year.

JAM: Game sales account for close to 28% of Tecmo's total revenues and the games themselves have become somewhat of a viable market. Have you sold more games to the market than the year before?

MR. OSADA: I think that it was up 10% over the previous period.

JAM: Tecmo was a little late in entering the home game market.

MR. OSADA: Actually, we were thinking that we shouldn't put any more emphasis on the home market since we were moving ahead with our game sales development.

JAM: Two years ago, the home market made up 70% of your company's revenue whereas today, it makes up only 50%.

MR. OSADA: It is declining. While sales of home game software are increasing, we think that the home market should account for less than 50% of our total sales. The ideal income breakdown would be 20% coming from amusement arcades, 35% derived from other game sales and the remaining 45% coming from home game business.

JAM: But if those figures are realized, that will mean that other departments will have to take up the slack.

MR. OSADA: That's right, and I would add that it is also a measure by which the true ability of a company to adapt to changing times can be judged.

JAM: Do you have a similar forecast for your overseas markets?

MR. OSADA: Since we were a little late in getting started in the arcade and commercial markets overseas, this won't show much for the fiscal year just completed. However, next year should see significant results. However, we aren't doing very well in the family computer software business.

The Future Tecmo, A New Tecmo

JAM: Tecmo doesn't participate in many trade shows overseas, but during the shows it does attend, it tends to concentrate on one kind of game and displays only that game. Do you have any comments on this?

MR. OSADA: It may seem like this to some observers because we have been a little late in diversifying. But we are completing the final stages of our transition and I think you'll see a new kind of Tecmo at the AMOA show in Nashville this October.

JAM: We're looking forward to it. Tecmo engaged on a PR campaign in 1989 to create a new image for the company, declaring that year "The Inaugural Year of Amusement." Thereafter, the company had an image in the eye of the public, but what about the games to support this image?

MR. OSADA: We've been putting 100% of our effort into this.



Tecmo's booth at the 1991 AMOA Expo

JAM: So, you could say that Tecmo has been going through a new phase.

MR. OSADA: Well, if you compare what we're doing now with what we've done previously, I think you can see the changes. We don't really have any strict management policies in place to help systematically increase sales. We won't do that sort of thing. I believe it is best if we see sales increase gradually rather than suddenly. Although it is better for the company sales move in this fashion, I don't think there's a single employee in the company who doesn't secretly hope our sales suddenly go through the roof.

JAM: You assumed your post as managing director this past spring. In the time you have been in office, do you have any special items on your agenda that you would like to accomplish?

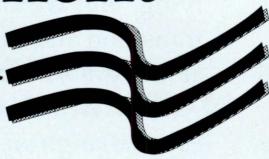
MR. OSADA: Our company already has a reputation for developing games that can earn money over a long period of time. Building on that, I'd like to see our position solidify within the industry. There are a few things that we have to keep in mind at Tecmo, though, such as learning from what we've done in the past, etc. In order to prevent our position in the industry from weakening, we have to do them.

JAM: Tecmo, then, has set out to redefine itself during the last half of the period as a company that tries to get everything done.

MR. OSADA: Yes. We've been and will continue to work on this goal for quite some time. ■

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Reorder tone dial: 502-551-1866
Hotels: Days Inn, Exit 18, I-85
404-761-6500
Ramada Inn, Exit 19, I-85
404-768-7800

October 24

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Indiana State Fairgrounds
across from grandstand
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and Shadeland, 317-352-0481
Budget Inn 317-353-9781

November 14

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Events Bldg., Hwy. 301 off I-4
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Hotel: Red Roof Inn, 800-843-7663;
Days Inn at I-4 and 50th Street
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- All auctions begin at 10 am local time.
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1992

December 5
Indianapolis, IN

December 12
Columbus, OH

1993

January 9
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January 30
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February 20
Tampa, FL

March 6
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March 27
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Collectors Auction
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What's Out

- in Japan II -

A partial list of recently released products for the Japanese market.



Banpresto

Deru Deru Ultraman

Among Americans who came of age during the 1970s, one of the fondest memories are of those Saturday mornings spent in front of the boob tube, munching on junk food cereal while watching our favorite cartoons. Some were from Japan, and many of us remember Ultraman, that enigmatic hero who saved the world by battling a host of monsters, putting wrestling holds on them that would do Hulk Hogan proud. Ultraman is something of a cultural icon in his own country and Banpresto has acquired the rights to put his name and face on a number of products. *Deru Deru Ultraman* is a pachinko machine with the mighty hero's face on it.

Capcom

Adventure Quiz: Capcom World 2

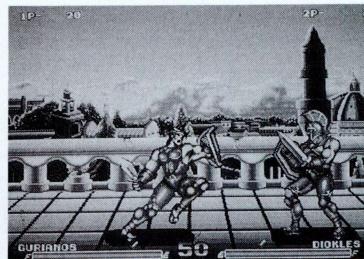


In 1989, Capcom released *Capcom World*, a quiz game that quickly became popular. This was the first quiz game to use an integrated CP system. Now, *Adventure Quiz: Capcom World 2* expands the action. With a variety of

special functions this game also offers simultaneous two player action. There are a total of three different courses, Beginner, Normal, and Expert. In each, you must get past a special boss character at the end. This particular game is in Japanese, and there is no word on whether or not Capcom will release an English language version as well.

Allumer

Blandia



Imagine a small island where you must fight to live and live to fight. That's the basic premise of *Blandia*. Six of the best fighters around (Gurianos, Diokles, Irene, McGill, Jurene, and Retsu-Zen) are gathered, using only ancient weapons of steel and iron.

The game consists of 10 stages, five where the player fights the others and the remainder where the player fights the evil henchmen of the wicked king of the island. For more detailed information, consult this month's **What's Out** section.

Banpresto

Ultraman Fight



Ultraman, that hero from the TV show of 30 odd years ago, is back. This arcade-style game from Banpresto offers lots of excitement as players do battle with 5 different monsters that pop up underneath clear plastic bubbles. Using a ball control, players try to

roll the ball in the direction of the enemy and knock him out. Along the way, a track is lit up until the light "punches" the enemy. A digital readout display keeps score. With a colorful cabinet and cute characters, this game is designed to appeal to both children and adults. Dimensions are 1550mm (H) X 1270mm (W) X 940mm (D).

Data East

Twilight Spread



As we have reported in past issues of JAM, fortune-telling games of various sorts enjoy a high degree of popularity here in Japan. One of the most popular forms of fortune-telling is the use of tarot cards. This ancient game is now in modern form as Data East presents *Twilight Spread*. Using DVI (Digital Video Interactive) technology, the real video

images offer to predict your fortune in life, love, work, etc., a total of seven different areas. You respond to various questions and see what the cards have in store for you. This game was scheduled to go on sale in September.

Kaneko / Sammy

Shogun Warriors



The shogun is the symbol of pre-industrialized Japan. Although Japan has changed a lot since 1868, the spirit of the shogun, at least, lives on. Players choose one of eight characters and must fight giants and other assorted baddies in a timed fight to the death. Each character has his individual strengths and weaknesses. Players can fight either against the computer or against another person. Control is provided by an 8-directional joystick and four buttons.

Kato Manufacturing

Magical Shot



As regular readers of JAM are well aware of by now, pachinko, a form of Japanese pinball, is one of the most popular amusement past times in Japan. Kato Manufacturing, in response to the growing demand for new kinds of pachinko machines, has released *Magical Shot*. This game, which can be played either with money or tokens, has five different holes within the machine. Whenever a ball falls through one of these holes, a lamp lights up. When the lamp lights up 10 times, the small built-in roulette wheel spins and stops on a number from 0 to 9. That number is the amount of tokens that are paid out. Went on sale at the end of September.

Konami

Bucky O' Hare



The famous American comic book hero *Bucky O' Hare* is the hero in this new action game from Konami. Recently, Konami has had much success with converting popular comic book heroes into video games, *Astrix* and *X-Men* being two recent examples. In this game, Captain *Bucky O' Hare* and his pals battle the forces of evil throughout the universe. This is the eighteenth character game from Konami, and the game's movie-like graphics are very realistic. Players must pass through a total of 8 stages and with the DIP switch, and 2, 3, or 4 players can battle it out. The 4 player game is the sixth version that Konami has put out. This game was scheduled to go on sale in September.

Plant Work

Robo Eki



It does indeed look as if fortune telling games are the trend in Japan, at least this month. Especially popular with women and couples, there is something reassuring about knowing what one's future will be, even if the answer comes from a machine. However, many fortune games are of rather large size, a big problem, both literally and figuratively, in space-conscious Japan. Now Plant Work Inc. introduces the *Robo Eki* small scale fortune telling game. Players can discover their fate in five different areas: money, work, personality, love, and their fate for that week. With such a compact size (295 X 175 X 310 mm), this little machine is perfect for coffee shops, restaurants, snack bars, hotels, etc. Easy to use and operate, with replaceable data charts in color. Now on sale.

Sega Enterprises

Virtua Racing



Sega's newest entry in the driving simulator field, *Virtua Racing* was one of the most popular attractions at the recent AM show in Tokyo and this may finally be the machine that unseats Namco's *Final Lap* series as the country's most popular F1 racing game. Using a newly developed CG board that can process 180,000 polygons a second, *Virtua Racing*, with its racing car-like body, offers a very realistic driving experience. Special features include hydraulic cushions that push against the player as he/she navigates the tight turns. With a wide angle screen and special sound effects, Sega has created a very exciting game.

Taito

Goki Detar



In this game, a new version of *Wani Wani Panic*, players get to pound *Goki Detar*, a popular animated character. The action is fast and furious as five of these little buggers shoot out of their hiding place to launch and attack. With a digital display and sound effects, Taito hopes to repeat that same kind of success that *Wani Wani Panic* enjoys. These kinds of games, complete with a soft headed mallet, offer both children and adults a harmless way to release frustration and aggression, and perhaps this is why they are so popular. Dimensions are 1150mm (W) X 800mm (D) X 1650mm (H).

Taito

Gun Buster



This new interactive battle game in 3D offers thrilling action for one to four players. Unlike ordinary games in which players compete for high scores, *Gun Buster* is a battle game, a fight to the death match. Victory is only assured when your opponent's life meter reaches "0." If you can win two out of three battles, you're the grand champion. However, once the action has started, other players may not join in. If you decide to play against the machine itself, you can clear each round by defeating its Boss within a prescribed time limit. In this case, players may join in at anytime. Battle the computer through a total of 13 successively difficult levels to determine the Grand Champion.

Taiyo Jidoki

Sui Sui Pyon Pyon



The first in the company's planned "Kids Hyper Series." Housed in a small upright cabinet, this video-interactive token game pits five of seven funky frogs in a short swimming race against each other. Players insert an amount of tokens and bet on their favorite croaker, with winners receiving a substantial payout in proportion to the amount they bet. There are a total of five races to be had in one set. On the sidelines, friends of the frogs cheer their buddies on.

Takara / Taiyo Jidoki

Licca-chan no Uranai Denwa



That cute pop idol Licca-chan, already famous in Japan, now has her own tele-psychic service. Players can select from one of five categories: general reading, friendships, personality analysis, professional opportunities and desires. Licca will select one mode of fortune telling (using tarot or regular cards, yes/no quizzes, astrology, or your blood type) that will tell you the answers to your questions about your life.

Togo

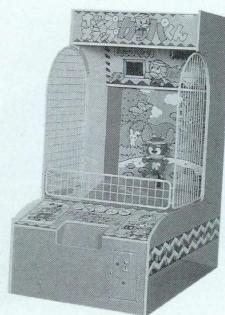
Mad Sauros



This carnival game is another version of the ever-popular throwing games. A green dinosaur roars as the player tries to throw balls into its mouth. Whenever you get a ball into the dinosaur's mouth, he lurches backwards. With a very realistic (?) sounding roar and a colorful, eye-catching cabinet, this game is designed for children and adults alike. On either side of the cabinet, a net catches those balls thrown astray. The total size is 0.8m (W) X 2.5m (D) X 2.15m (H) and is currently on sale at a suggested price of Y136 million. Contact Togo directly for more information.

Togo

Hop Step Kappa Kun



A kappa is a mystical creature of Japanese folk tales; a water imp that lives in streams and ponds. He has a small dish-like head, on top of which is one drop of water. If that drop of water falls out, he will die. He is known to be fond of young children, and will not hesitate to kidnap them for some nefarious purpose. Well, *Hop Step Kappa Kun* allows you to fight these mischievous water demons. Anyone can enjoy this carnival style game with its comical kappa. With BGM cabinet and characters that move in a number of directions, this game will no doubt become a favorite among arcade patrons. Dimensions are 1800mm (H) X 900mm (W) X 1500mm (D).

Togo

Roll & Drop



At the AM show, Togo had a number of carnival games on display. *Roll & Drop* is a modified version of the classic skee ball game, only instead of dropping the balls in a hole, the object is to hit Mogura, another animated character popular with the younger set, on the head. There is also a lucky number function, where if you hit the number, you win a prize. There are a total of 7 different ranks and prizes are paid out automatically. The attendant, therefore, doesn't have to be around. There is a counter attached to the machine which monitors the number of prizes paid out, allowing for easy replacement. Now on sale, overseas readers may contact Togo for more information.

Togo

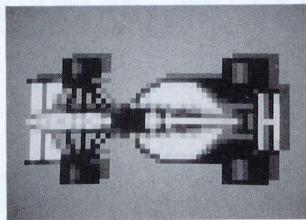
Super Tennis



In the past, we've seen such games as foosball and table tennis. Now, a new game that combines the best features of both is available in Togo's *Super Tennis*. On a green tennis court, two players can battle it out. Players operate a simple lever, much in the manner of the old style hockey games and hit the ball back and forth. The action is fast and furious, just like a ping pong game. More exciting than the U.S. Open, and even better, no line judges. Dimensions are 0.88m (W) X 1.23m (L) X 1.10m (H).

Video System

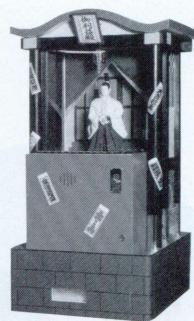
F1 Grand Prix II



If you put out a hit and it makes money, why not put out a sequel and make even more money? Hollywood certainly understands this principle as sequels movies to such as "Batman," "Terminator," and "Lethal Weapon" enjoy just as much, if not more, success than the original. The amusement industry also understands this concept as sequels to hit games also do quite well. Video Systems' *F1 Grand Prix* was a hit when it was first released a few years ago, and they now offer *F1 Grand Prix II*, an updated version. The course has been expanded and the cars are able to go even faster thanks to a special button that allows you to overtake another car. There are two modes to choose from: the World mode or the Free Run mode. Price and release date not available as of press time.

Towa Japan

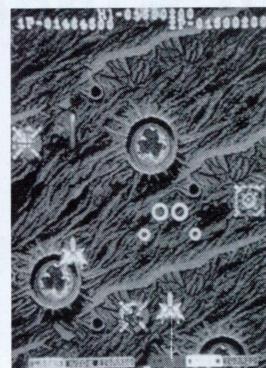
Goriyakuden



In Japan, whenever one visits a shrine, one can "buy" a small fortune called an *omikuji* in Japanese. Especially popular during the New Year's holiday season, these little fortunes, which come in their own special bag, are a well-kept Japanese tradition. Now, Towa has come up with an electronic version. A doll-like figure, dressed in the manner of a Shinto priest [see this month's *Japan Now-Ed.*], dispenses fortunes. Operators can charge players from 100 to 300 yen per *omikuji*. Like other fortune-telling games that are now on the market, *Goriyakuden* gives players answers to their questions about life. This game drew a lot of attention at the AM show in Tokyo.

Visco

Galmedes

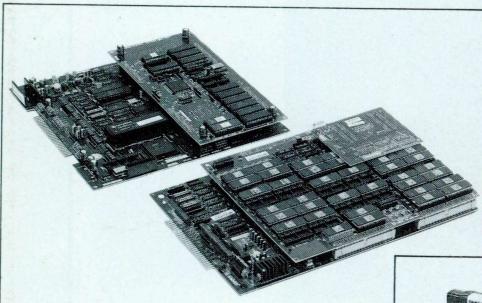


A space adventure vertical scroll shooting game. The player is initially manifested as a space cruiser floating above a barren lunar surface with minimal firepower, but has the option to pick up valuable power-up items along the way. Continuous firing will gradually increase the firepower of the ship. Pressing the "B" button will release a "hyper-shot" capable of tearing through any opponent. The game can accommodate two-player simultaneous play and anyone can buy-in anytime.

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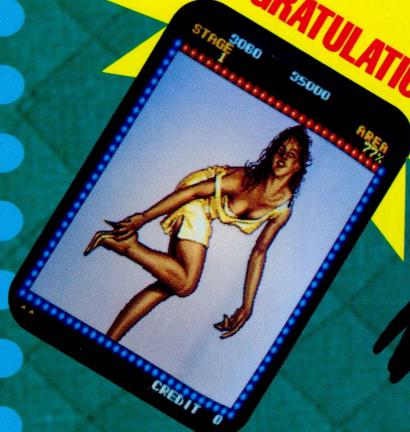
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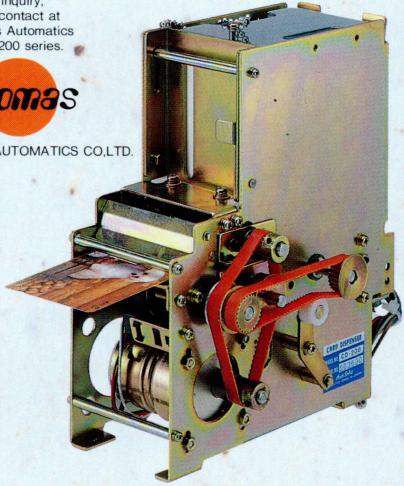
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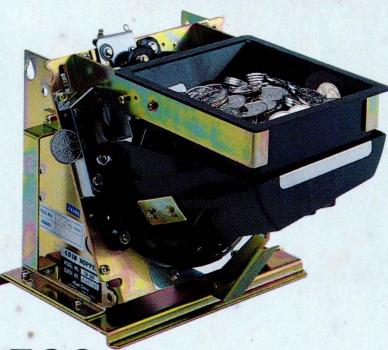
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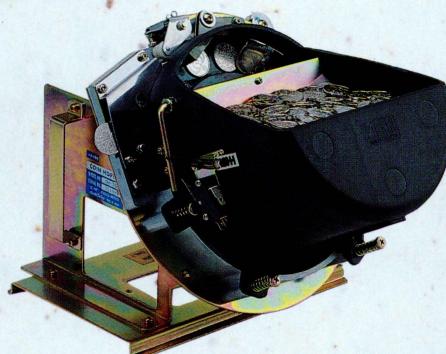
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First Czech Show To Be Held

Organizers have announced the first Amusement+Leisure Trade Show (A+LTS) to be held at the Prumyslovy Palace in Prague, Czech Republic from May 12th through 14th, 1993. A+LTS will promote all aspects of the leisure industry and will include several theme areas. The amusement industry will be represented by Deith Leisure Praha (Prague).

There will be a series of seminars and workshops where speakers will cover a series of subjects ranging from leisure location management to finance to marketing. In addition, several promotional activities will also be staged by a "specialist division" of a major PR and event organizing group associated with the show.

Many organizations have already pledged their support for the show, among them the large Gaming Machine Operators Associa-

tion (ADHP), and negotiations are currently underway with media and trade bodies throughout Europe to provide further convention coverage.

In a recent press release, Mr. Gerry Robinson of Eurotrade Exhibitions said, "Of all the East European states, Czechoslovakia has adapted to the newly won freedoms in a very positive way. Its attitude to developing private enterprise is extremely encouraging, with tourism and leisure . . . high on the list of welcomed projects."

In related East European news, Eurotrade Exhibitions has also announced that the agency agreement between George Herman of ABP, Calabasas, USA and Eurotrade will, by mutual agreement, not be extended. ABP are the organizers for the Amusement+Leisure Equipment Exhibition, scheduled to be held at the Palace of Culture

and Science in Warsaw, Poland.

For further information, contact Gerry Robinson; Organizer A+LTS '93; Eurotrade Exhibitions by phone at +44-905-61-32-56 or by fax at +44-905-72-47-68. □

Williams Electronics Goes Green

Williams Electronics Games, Inc. has announced a series of packaging and electrical innovations for its products. The packaging changes will help customers adhere to local recycling laws, while the company will start to use the IEC 320 power input connection (the same power input used in most computers) in their games. Pinball packaging materials will be manufactured from cardboard, replacing the polystyrene blocks currently used in production. □

Pinball Championship Held

The AMOA-International Flipper Pinball Association has announced that their third annual International Championships will be held on May 21-23, 1993 at the Grand Milwaukee Hotel, Milwaukee, WI. The hotel is located directly across the street from the airport and is easily accessible to travelers from all over the globe.

With the rapid growth of IFPA leagues and affiliated tournaments, IFPA Director Mr. Mike Hawkins of D & R/Star Inc. made sure that the facility selected for this year's tour-

nament could accommodate the large crowd expected. "The Grand Milwaukee is by far the best facility we've had the chance to work with. It's accessible, it has great amenities and a great looking ballroom. We're confident that our players won't be disappointed," said Mr. Hawkins.

The format of the 1993 event will be basically the same as in the past. There will be divisions for Men's, Women's, and Mixed teams, Men's and Women's Singles, and the "Outstanding Pin Master" division. The major change for the '93 event is

that the players will be ranked not only by the criteria listed, but also by their IFPA Composite Pinball Averages (CPAs). Since CPAs can only be established through regular participation in sanctioned IFPA leagues, the tournament committee is determined to make the IFPA league player competitions the showcase for future, fully classified, competitions. For information, please contact the AMOA-IFPA at 141 West Vine Street, Milwaukee, WI 53212. □

Sinbad's Opens New Arcade

Over the past decade, "Sinbad's," located in Dubai, United Arab Emirates, has grown to become one of the largest and most successful chain of indoor family entertainment centers anywhere. In Dubai alone, the company operates three centers which range in size from 5,000 to 15,000 square feet. All are located in fully air conditioned shopping malls and contain all the latest games and rides, plus snack bars, gift shops and private function rooms for birthday parties and get-togethers. The operators of Sinbad's have also set up other amusement centers in Abu Dhabi, Oman, and have just recently granted franchise rights to a company in Pakistan.

It was back in May that the company unveiled their latest creation, a 10,000 square foot center in Dubai. Located inside the Bur Juman Shopping Center, the facility cost an estimated \$1.5 million. The new complex contains car, jet, and motorbike simulators, as well as

arcade and carnival games. The layout of the center is quite spacious, with a seating arrangement that allows parents and children to take a rest in between play. The Bur Juman center is divided into two sections with the smaller section for teenagers who enjoy billiards, football and the latest video games. The main section caters to families with children, and both areas are easily accessible to a coffee shop.

Sinbad's, in addition to operating amusement complexes, also supplies new and used amusement



machines, video and arcade games, PC Boards, kiddy rides and spare parts. For more information, please contact Mr. Ishwar Chugani, General Manager, at (Tel) (971-4) 237862 or 227528, or (971-4) 231504 (FAX). □

IAAPA Joins Buckle Up Campaign

The International Association of Amusement Parks and Attractions (IAAPA), has joined the National Safety Belt Coalition's "Avoid the Summertime Blues" national safety belt campaign. "The Coalition is very excited about the endorsement and participation of the IAAPA," said Ms. Kim Ross, Director of the National Safety Belt Coalition. "We think that it's a great fit and we're confident that together the NSBC and the IAAPA membership can help make the road a safer place for our constituents and customers."

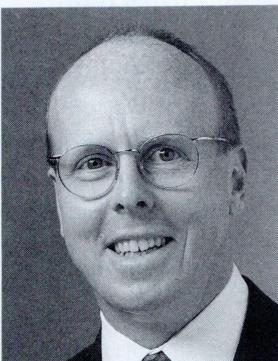
Throughout the summer months, IAAPA members were encouraged to "buckle up." Some of the activities that were implemented included: displaying buckle up messages on signs; sponsoring exit or entrance checkpoints to see if patrons were buckled up and awarding coupons or prizes to those who buckled up; using exit signs to remind patrons to buckle up and printing buckle up messages on drink cups, sandwich wrappers, popcorn containers and other concessions. The IAAPA also provided bumper stickers, worked with local police and law enforcement efforts, and assisted local broadcast and print media in sponsoring public service announcements and advertisements. □

Bally Keeps Rolling

Bally Gaming, Inc. of Las Vegas, NV recently announced the appointments of Messrs. Jerome Phelan and Chris Gadda to new positions. Mr. Phelan has been named Director of Video Lottery Business Development and Mr. Gadda has been appointed Sales and Marketing Administrator. Mr. Phelan, a Toronto native, has an extensive background in international business development and the establishment of gaming operations. He spent the last fourteen years in senior management with a major lottery supplier, where he attained the positions of Regional Director and Vice President before bringing his skills to Bally Gaming. Mr. Phelan is now responsible for Bally Gaming's video lottery terminal (VLT) business development in new and emerging markets worldwide.

Mr. Gadda hails from Reno, NV and has worked in the gaming industry for more than a decade. He has a broad range of gaming-related experience, most recently as Director of Gaming Sales at a Las Vegas-based company. He will concentrate his skills on new sales development for all Bally Gaming products in southern Nevada, as well as coordinating casino design concepts. □

*Mr. Chris Gadda,
Sales & Market-
ing Administrator*



*Mr. Jerome Phelan,
Director of Video
Lottery Business
Development*

IFPA Standardizes with New Guides

The latest editions of the IFPA's pinball league captain's guides and scoresheets are now being delivered to the association's 50 plus charter operator members. Under the direction of the IFPA rules committee chairman Mr. Mike Jensen, the IFPA has developed a system for association-wide standardization. The system, which lays down complete rules and scoring procedures, also enables the IFPA to evaluate

and classify its league players. According to Mr. Jensen, the guides and scoresheets are designed to standardize operations.

This year, the fall will see programs up and running in Pennsylvania, North Carolina, South Carolina, Ohio, Illinois, Iowa, Nebraska, Texas, Arizona, California, Washington, Alaska, Montana, Wyoming and Colorado. For more info, contact the IFPA. □

Northeast Regional Trade Shows A Hit

On the weekend of May 29-31, the Westchester Marriott hotel was the scene for the 1992 Northeast Regional trade show. The show was a financial success, as the three sponsoring organizations, the AMOA-New Jersey, the AMOA-New York and the New York State Coin Machine Association were able to bring seven times the amount of revenue than last year. These funds are needed to boost the efforts of New York and New Jersey to pass legislation in their respective states that would permit video lottery games in liquor-licensed establishments. Thirty five manufacturers donated coin-operated games to the effort, twenty companies exhibited, and over one hundred ads were placed in trade show journals.

The trade show wound up with a gala banquet honoring the "1992 Man of the Year" Joseph Cirillo, president of Betson Enterprises, one of the largest distributors of coin-op games in the world. Mr. Cirillo has worked hard for the coin-op industry and is involved in a number of charitable organizations such as the Tomorrow's Children's Fund, which assists families of children with cancer. The testimonial was emceed by Mr. Bill Cravens of Leprechaun and other dignitaries included Bill Rickett of Dynamo and AAMA president, Atari's Jim Newlander, State Sales's Steve Koenigsberg, and Williams' Joe Dillion. Other speakers included the three presidents of the sponsoring organizations; Frank Selinsky, Bob Herman, and, of course, Ralph Ceraldi. ■



Religion has the power to move the souls of men and women to do good . . . and to do bad. It has the power to drive artists of all stripes to produce works of great power and beauty. As has happened with Christianity and Islam, Hinduism and Buddhism, so to have the religions of Japan led her people to actions of both great good and evil, and also to create art of sublime grace. But what exactly are those religions? Buddhism is familiar to many, but the "native" Shinto is perhaps an unknown commodity. This month, Japan Now offers a rough outline of the religious picture in Japan, both past and present.

Religion in Japan

by Carl Freire, Contributing Editor



The late U.S. Ambassador to Japan Edwin O. Reischauer noted in his book, "The Japanese," that religion plays a more peripheral role in modern Japanese life than it does in the West, the Middle East, or southern and southeastern Asia. This point is a interesting one to note before beginning any discussion of religion in Japan. Similarities in attitude, of course, exist and are of great interest, but the differences are equally, and sometimes more, compelling. For example, most Japanese would not say that they are exclusively of one religious persuasion or another, and the majority would say they are both Buddhist and Shinto. The reasons for this comparative irrelevance are varied, but lie beyond the scope of this article. Suffice it to say that it doesn't seem to be as important a factor in everyday life here.

This is not to say that religion has had no influence on Japanese life, however. Quite to the contrary, religious systems and beliefs have had a varied and important role in the development of the nation's culture, political systems, and society. The strength and position of one particular system in relation to the others within society has changed over time, with one or the other becoming dominant at any particular point in time. Religious systems and beliefs are not immune to the plans and demands of the secular world as any student of the Christian church, for example, will know. Likewise, those systems to be found in Japan have similarly felt the tug and pull of the profane.

If one wishes to consider only the major religious systems, then it could be said that there are four which are of importance in the Japanese scheme of

things. These are Shinto, Confucianism, Buddhism, and Christianity. There is also a variety of other beliefs and practices both native and foreign that have had and continue to play a role in Japanese culture and society, but their relatively minor impact doesn't compare to that of these four, so we shall not cover them in this discussion.

Of these four, the logical starting point is Shinto, as it is the one that is most often held to be of native Japanese origin. Shinto is more a collection of related beliefs and practices rather than an organized religion per se. Strictly speaking, it has no scriptures. The central belief of Shinto is, as we mentioned last month, the presence of *kami* in the world about us. These "spirits" exist in inanimate objects, for example, and the dead can also become *kami*. Particularly important *kami* are dignified with a shrine. Shrines come in all sizes, ranging from a simple altar placed on the side of a road to magnificent structures such as the Heian shrine in Kyoto or the Ise shrine, the largest wooden structure in the world. Features common to all shrines include *torii*, a gateway that marks entry into the sacred space. The "sinking" gateway of tourist brochure fame found in the shallow waters off Miyajima near Hiroshima is one such example. Another feature are the *shimenawa*, white ribbons tied to various objects to signify their sacred nature.

Shinto's place in society has been varied. On a day to day basis, it seems to have almost no role whatsoever. People appear to be more interested in seeing the sights at the larger ones than in paying obeisance to the *kami*. Politically, its importance has waxed and

現代の日本

waned. Both Shinto and Buddhism have served as veils for attacks and counterattacks about issues of deep secular importance. Shinto was made to serve as a state religion by the "modernizing" government of the Meiji Era (1868-1912) as a way to help justify and solidify their control over the organs of political power. Buddhists and people who held strictly to Confucianist values were left out in the cold as followers of Chinese, rather than native, beliefs.

Yet, these two "Chinese" belief systems have had their day in the course of Japanese history, and have changed and been adapted to such an extent that for all intents and purposes they have become things Japanese themselves. Confucianism, as we noted in our piece on China, is more a set of principles that guide how one should lead one's life rather than system of religious beliefs. In China, these principles focused on five interpersonal relationships that defined positions of power and subordinance, and thus served as the theoretical basis for government. In the Japanese context, the one area in particular where its influence has been extraordinarily pronounced is in the value that has been placed on education. In the Confucian scheme of things, educators and learning are accorded a place of respect. It is interesting to note that several



(Facing and this page) Shimogamo Shrine, Kyoto.

of the Asian countries cited as being strong in education today have this strong Confucian influence on their societies.

In terms of time of introduction to the Japanese world, Buddhism is chronologically third in line. In terms of importance to the development of the culture and society, however, it probably ranks first. Buddhism is said to have been introduced into Japan around 552 A.D. by Prince Shotoku Taishi, an important figure in Japanese political history. In any event, Buddhism provided the Japanese a consistent world view that included the notions of salvation and an afterlife. The central tenets of Buddhism are the Four Noble Truths, paraphrased by Reischauer as "life is [suffering], its suffering derives from human attachment or desires, but these desires can be overcome by the Buddha's teaching, thus freeing the individual for painless merging with the cosmos in Nirvana, or 'nothingness.'"

An interesting aspect of Buddhism in Japan is that it has diversified into different schools to an extent not seen anywhere else the religion has gone. Many of the major variations came from derivations that were

originally developed in China, based in turn on concepts from the Indian baseline. The meditative Zen schools come from the Chinese Ch'an school, and Esoteric, or Tantric, Buddhism, which places emphasis on artwork and direct transmission of teachings from teacher to student rather than through scriptures, comes from Tibetan Buddhism. The two schools with the most adherents, Pure Land and True Pure Land, took Chinese ideas as their base and then were adapted to the Japanese context to the extent that they essentially became new strains.

The development of these different schools is very similar to that which occurred in the last of the religions under consideration, Christianity. Christianity first came to the country in the 1540s, first as an "accessory" carried by Portuguese and other merchants,

and then as a focus by Catholic missionaries who followed in their footsteps. The religion attracted a fair number of followers, although many were perhaps motivated by the desire to be on good terms with the foreign traders. As noted in the February installment of *Japan Now*, the religion was eventually banned as being subversive. With the opening of the country and relaxation of the ban in the 19th century, the closet Christians resurfaced and others converted.

The numbers have never been large, however, with Christians accounting for perhaps 1% of the population at most. However, many reformers and intellectuals including the founders of the Japanese socialist movement have been adherents of the religion, and thus it has had an influence disproportionate to its size.

There are also the so-called "new religions" which have arisen over the past two centuries, especially in the aftermath of World War II. Usually built around a charismatic leader, these religions represent a variety of beliefs, usually with a strong Shinto or Buddhist base. The number of adherents to these is greater than that of Christianity, but, with the exception of Soka Gakkai, an iconoclastic sect that formed and was once affiliated with the Komeito political party, they have had little influence at a national level. This could be said for any of the religions today. Although they may no longer have the moral impact they once did, their influence on the arts, particularly that of Buddhism, has at least left us with works that inspire and make one contemplate the place that religion has had in Japanese society.



JAPAN LOCATION REPORT

The blazing days of August came right on schedule, just as schools across the country were dismissing classes for the summer holiday. Game centers and arcades became the place to go, not just to catch the latest games, but also to take a break from the oppressive heat as well. Over the summer, several changes, both small and large, occurred within the arcades of Japan.

Recently, JAM spoke to the president of a company involved with the amusement industry. During our conversation, he made the following point:

"All amusement facilities have improved remarkably, both inside and out. They have become much brighter and more attractive compared with how they used to be. But people soon tire of attractive decor if the software is not up to par. Today's customers are like a highly sensitive radar; they are quick to detect any negative aspects of a game center."

In short, what he is saying is that customer satisfaction (CS) is beginning to play a larger role in the operations of a given amusement location. Since both customer needs and amusement centers have diversified, conducting accurate market research to evaluate and determine the degree of customer satisfaction has become critical. Information obtained is used to improve comfort and convenience for customers.

The CS concept has been around for quite some time and is often used in marketing strategies. However, its importance as a tool for increasing sales and profits has only recently been recognized. Major companies in other business fields have incorporated CS into their management strategies, as well as established internal CS committees and promotion offices. I am sure some amusement companies have already conducted CS surveys and implemented CS, but generally the concept of CS has not yet penetrated our industry.

The success or failure of a game center depends on several factors. Installing popular games and providing attentive customer service are vital, but the importance of a positive attitude on the part of management also cannot be underestimated. Especially in amusement facilities where customers tend to be rather passive, offering services geared toward better CS is a necessity.

Final Lap 2 Finally Knocked Out of Top Spot

The big news this month is that Namco's *Final Lap 2* has finally been toppled from the number one spot in the cockpit / upright video games category it has occupied consistently since JAM was first published more than a year ago. Another Namco racing game, *Coca Cola Suzuka 8 Hours*, took top honors for this month. *FL2* was knocked down to fifth place, after the game was removed from many arcades.

However, since many of those game centers will soon get *Final Lap 3*, the sequel to *FL2* that was unveiled at the JAMMA show this past August, many expect *FL3* to take the number one spot in the near future, perhaps as soon as next month. Although it is still an open question as to whether *FL3* will be strong enough to continue the dynastic lock on the number one spot like its predecessor did, if the reaction at the JAMMA show was any indication, it seems very likely that the game will make a strong showing in next month's polls.

Second ranked *Arm Champs II*, the muscle game from Jaleco, won more fans in the arcades over the past month. Other games that came in strongly over the past few weeks include *Sonic Blast Man* (Taito), which came in at number three, and fourth ranked *Grand Prix Star* (Jaleco). *F1 Exhaust Note* (Sega) held its own in the face of intense competition this summer. In addition to video games, carnival and large crane games also showed considerable popularity with couples and groups throughout the month of August. Favorites among arcade customers included *Dump The Ump*, *Bowler Roller*, and *Sidewinder* (all distributed

Formerly Unranked Games Make Strong Surprise Showing

in Japan by Tecmo), Sega's *Dream Palace* and Image/Takara Gokuraku's *Pop Shot*, despite the fact the fact that only a limited number of game centers around the country have installed these pieces. Popular new games that have been introduced lately include *Stadium Cross* by Sega, *B.O.T.S.S.* (Jaleco) and Namco's *Bubble Trouble*.

Turning now to video games, despite the fact that *Street Fighter II: Champion Edition* and *Street Fighter II* have developed a loyal following this summer, cracks have appeared in the Capcom juggernaut. The two games, after having a firm grip on the one-two spots for the past two months, were finally separated. *SFII:CE* still retains the number one position, however, its popular parent *SFII* has fallen to fourth, the widest span between the two games since *SFII:CE* was released this past spring. A quiz game, *Bakuretsu Quiz Ma Q Dai Boken* (Namco), which was unranked last

month, has risen to take the number two spot. Third goes to SNK's *World Heroes*, a fighting game that was also unranked a month ago. As far as action games go, Irem's *Undercover Cops* and Toaplan's *Fixeight* have taken number seven and eight, respectively. HotB/Taito's *Super Shanghai* (#5), Banpresto's *Ultra-man Club* (#6), Video System's *Aero Fighters/Sonic Wings* (#9), and Namco's *Super World Stadium* (#10) have been bringing in consistent arcade returns as well. Although shooting games generally tend to have a short life cycle, *Aero Fighters/Sonic Wings* has consistently been in the top 10 this summer. Other shooting games that have held their own in the face of tough competition are *Sand Scorpion* (Face), *Tatsujin-O* (Toa Plan) and *Varth* (Capcom).

Although somewhat less popular than the *SFII* and *SFII:CE* games, single location crane games, both large and compact units, saw an upswing in revenue over the past month or so. Although it is hardly the harbinger of a new crane game boom of the proportions that we saw last year, it is interesting to note that crane games seem to have found a stable audience with families. Whole families were often seen playing the cranes at once, especially those games that could accommodate three or more players simultaneously.

For the past year, there has been a trend toward

NEW SPOT ...

< MUTHOS >



Coreland Co., Ltd, operator of seven locations in the greater Tokyo area has announced the opening of their newest location, Muthos, in Kanagawa prefecture, to the southwest of Tokyo.

Muthos, opened on this past August 1st, is a three story location that boasts a total floor space of about 1,300 m². The location's main attraction, a bank of five golfing simulators, has been installed on the top floor. They were installed to attract customers between the ages of 20 to 40, those that make up the core group of golfers today.

The first floor is dedicated mostly to video game

has games that appeal to both children and adults. The second floor features a wide variety of token games. Entry to the second floor is restricted to those who are over 18 years of age.

The word Muthos itself is a Grecian word meaning "legend." In that vein, Muthos hopes to become a legend unto itself.

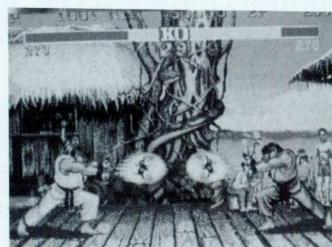
Address : Kanagawa-ken; Sagamihara-shi; Chuo

2-1-2

Tel : +81-427-76-5001

Video game

- 1. Street Fighter II** (Capcom)
Champion Edition



- 2. Bakuretsu Quiz Maqudaibouken** (Namco)
- 3. World Heroes** (Alpha/SNK)
- 4. Street Fighter II** (Capcom)
- 5. Super Shanghai** (Hot B/Taito)
- 6. Ultraman Club** (Banpresto)
- 7. Undercover Cops** (Irem)
- 8. Fixeight** (Toaplan)
- 9. Aero Fighters** (Video System)
- 10. Super World Stadium '92** (Namco)

Cockpit

- 1. Coca-cola Suzuka 8 Hours** (Namco)



- 2. Arm champs II** (Jaleco)
- 3. Sonic Blast Man** (Taito)
- 4. Grandprix Star** (Jaleco)
- 5. Final Lap 2** (Namco)

leisure buildings and other large locations, but two major companies, SNK and Capcom, have been scaling down and putting more of an emphasis on smaller locations that feature their game software. Parents, who are wary of larger locations, have reported feeling more secure letting their children go to smaller locations to play games. Small-scale single location operators have been resisting this move, but it seems that the general trend is going against them. Takara, a toy maker, is currently experimenting with a plan to establish small-scale game machine areas in toy stores and the toy sections of department stores. These new sections will be small, occupying less than 10% of the total sales area of the floor, which will put them outside the jurisdiction of the Public Morality Act, a special law passed in the mid 1980s. The "new single locations" may represent a revolutionary concept for single locations.

August brought with it the seasonably hot weather one normally associates with this time of year and, more importantly for the arcades, summer vacation for millions of school children across the country. Over the past month, many locations showed an overall upward trend in revenue as students of all ages went to their favorite arcades to avoid the wrath of the summer sun. Arcades were especially busy during the start of vacation in the latter half of July, but

as the summer vacation wore on, the trend levelled off and by mid-August, had begun to fall. The fall was attributed more to families going on vacation trips and university students returning home to their parents in the countryside rather than any reported lack of interest in the games arcades had to offer.

Locations that did consistently well, though, were those that had invested *SFII* and *SFII: CE*. According to data collected by COIN JOURNAL, JAM's Japanese-language parent magazine, business was much slower for those arcades that did not have any *SFII* units installed. Despite the fact that *SFII:CE* and *SFII* have split in the rankings, their combined appeal still is a powerful factor for most arcades. One reason that locations with the games did much better than those without is because Capcom released *SFII* home game software over the summer and aired a new *SFII* TV advertisement where actors and actresses assumed the roles of some of the more popular *SFII* characters [see JAM, Japan Trade Journal, July, 1992-Ed.]. Releasing the home game version of *SFII* and broadcasting the commercial during summer vacation was a very crafty move on Capcom's part because once September begins and the students are once again in school, it will be virtually impossible for locations to sustain the kind of growth and customer turnover they saw during the summer vacation weeks. ■

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Tex Mex Heads For NFL

Tex-Mex [see JAM, Sept. 1992-Ed.] opened a new type of urban amusement center, the NFL Experience, on the basement floor of the Tokyu Beam building in Shibuya, Tokyo this past August. The center combines sports viewing, a restaurant-bar where live shows are held, and game facilities.

A large number of media people were invited to a press meeting on the day before the opening, in Beam Hall on the first floor of the building. This was followed by a promotional party in the basement. The center offers multiple entertainment including all types of game machines, food and drinks at the bar while watching NFL matches, or listening to live music shows from the U.S. The center's shop stocks goods from each NFL team, original T-Shirts and other items. The center is also attracting attention as a dating ground for young couples who share an interest in sports.

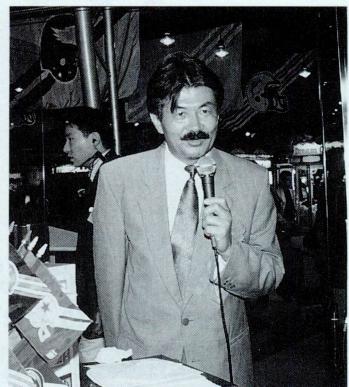
The center was planned in a tie-up with the NFL and the press meeting was attended by a number of people, including several NFL officials and players, most notably Dallas Cowboys quarterback Troy Aikman. At the time, the Houston Oilers and the Dallas

Opening cere-monies included a visit from the Dallas Cheerleaders and live music



Cowboys had come to Tokyo to play an exhibition match. In recent years, American football has become extremely popular, and in response, Tex-Mex plans to open ten more locations with the same name around

Japan as the core of their business activities. The sales estimate for the first term for the Shibuya location is Y100 million (\$80,000). □



President Mastuda

Sigma Shows Off Battle Tech Yokohama

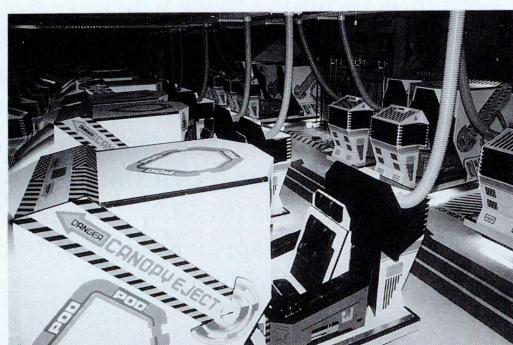
In the July issue of JAM, we reported the opening of Sigma's Trell-One large-scale game location. The center's core facility, the interactive virtual reality war game, Battle Tech Center, located on the 5th and 6th floors finally began operation this past August 15th. Sigma invited guests to a preliminary showing of the game on August 7th for a foretaste of its entertainment value. The opening of Trell-One suffered several setbacks before all its facilities were in place, including delays by the American developers, and allegations of misconduct amongst the Kanagawa police force which procrastinated on granting approval by citing the law that controls those businesses that are deemed to affect public morals.

The American responsible for developing the game machine also attended the preliminary showing and answered all the questions of the assembled media through an interpreter. After a demonstration by an instructor, visitors were encouraged to sample the fun of the game by trying it out in the hands-on simulation booth or taking part in a team battlegame competition. Each game lasts approximately ten minutes and costs Y1,000 (\$7.94). There are eight basic units that offer two modes: "battle royale" and "team battle."

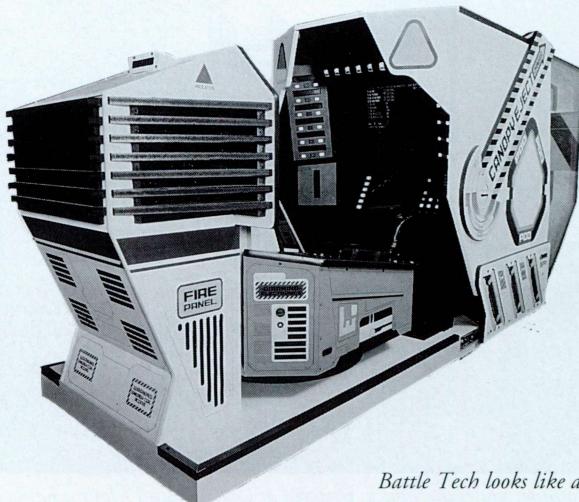
The main attractions of the machine are its large resource of intelligent strategies, and the fact that the game does not unfold along predetermined lines but allows the players to develop the game as it proceeds.



At the opening ceremonies.



Sigma plans to expand this new enterprise with the expertise of Battle Tech game operation they accumulate at the Yokohama branch. □



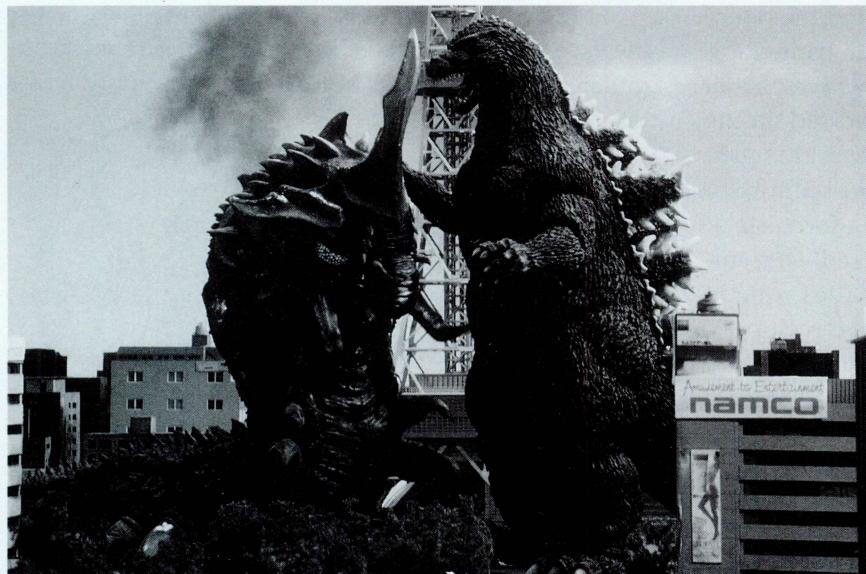
Battle Tech looks like a flight simulator.

Pharaoh's Prophecy A TV Star

A TV program starring one of Japan's most popular comedians is the theme for a very special shop, open only in the summer for a brief period, that sells characters. Each year, the shop attracts thousands of people all looking for Japan's most unusual games or novelty toys. This year, the star attraction at the show was the fortune-telling game *Pharaoh's Prophecy* from Sunwise Corp. As we have reported in past editions of Japan Amusement Monthly, this game has been extremely popular ever since it was first introduced. *Pharaoh's Prophecy* has recently been displayed at a number of media events and at a variety of exhibitions. Wherever it has gone, it has garnered good reviews. At the recent character goods shop display, the interior theme was "love," most appropriate for a machine that can (supposedly) predict your love life.

Pharaoh's Prophecy is available from Sunwise on a limited-term rental basis. Two varieties of machine are available and one play costs Y300 (\$2.38). During the summer months, an estimated 1,000 people a day visited the above-mentioned shop and of those, around 10% consulted the wisdom of the Pharaoh. Sunwise plans to continue to participate in these kinds of events in order to increase the recognition level. □

Godzilla Scrambles Wonder Eggs



Nothing, not even Namco, is sacred as Godzilla and Mothra battle it out.

The Mothra character has become an essential feature of the world-famous Godzilla movie series created by Japan's Toho Cinema. The perfect partner for Godzilla, Mothra is cast as the perennial enemy.

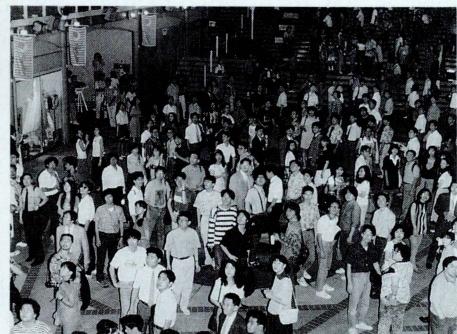
The new Godzilla movie and highlight of the series, "Godzilla vs. Mothra," will be showing at movie theaters around Japan over the Winter vacation, and this time Namco has also lent a hand. On July 30th, designated "Mothra Day," the Namco Wonder Eggs theme park in Tokyo was the chosen location for a scene from the movie. The day was also chosen for the promotion of "Cosmos" -- the new cute dwarf characters that take over from Peanuts.

The scene was shot in the Eros Plaza at the center of Wonder Eggs and it contains shots of people who have come to spend the evening at the amusement park staring up at the sky in panic as the giant moth Mothra flies over. At 8:30, shooting began after the director, Mr. Ogawara, indicated that the lepidopterous beastie was on her way. Over 100 extras who had applied for the chance to take part in a single scene from a famous Godzilla movie were tense with excitement.

There have been 18 Godzilla productions so far. The last in the series released last December, "Godzilla vs. King Ghidrah," attracted over 3 million viewers. The series has been seen by a total of 75.8 million people so far, and this amongst other factors has also helped to ensure the movie's consistent popularity. Besides using Wonder Eggs as a location, Namco has

created other ties with this popular movie such as ensuring exposure of its company logo on the Diora machine used in the movie and of its other branch logos. This will help to lend mass appeal to Namco's "philosophy of fun."

Namco also plans to use campaigns that tie-in with the movie for sales promotion during the end-of-the-year product war as well as to attract more visitors to the Wonder Eggs park. □



A call went out for many extras.

Yuei Donates To Charity

Although local corporate philanthropy is still a concept that most companies in Japan have not embraced, at least not to the extent that American or European companies have, there are a number of enterprises that are beginning to realize the benefits of donating to a worthy group or organization. Recently, six companies in the Japanese amusement industry donated a total of Y3,100,000 (\$2,400) to a special youth foundation to help those youngsters in need of special assistance, including those who have been classified as juvenile delinquents.

The six companies that contributed to the funds included Yuei, who gave Y2.5 million (\$19,800). The company is celebrating its silver anniversary this year. In addition, New Star Inc., a Tokyo based company, contributed Y200,000 (\$1,587). The funds will be distributed through a special non-profit organization used to benefit needy children. □

Dyflex Exhibits Venturer

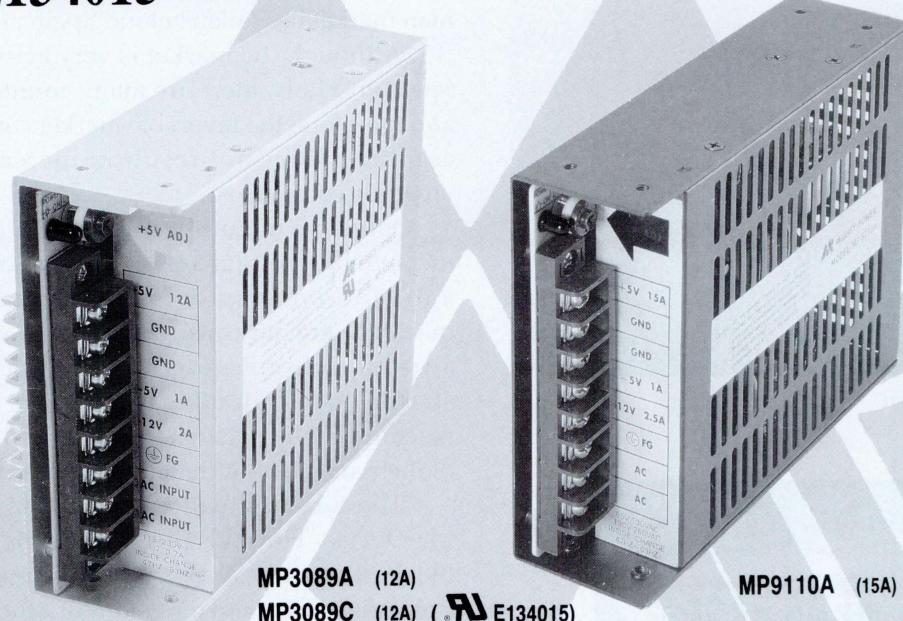
In February of 1991, a Tokyo-based amusement park was opened by Dyflex Creation Inc. This past July, the company displayed the Venturer simulator in front of the store and announced that it was available for sale or lease. Although there are currently a number of companies engaged in simulation machine research and production, the Venturer simulation was originally developed by a British company, Rediffusion Inc. for military use. As one might expect, the machine offers a very life-like simulated experience. At present, Venturer is drawing good crowds and revenue at a number of theme and leisure parks throughout the world.

During the time that Dyflex Creation exhibited the machine, there were a lot of customers as well. The weekdays saw an average of 400 to 500 people a day trying out the machine, while Saturdays and Sundays recorded an average of 800 people each day. According to one spokesman, the one day attendance record was 1000 people. There were two software programs that the crowds watched. The first was that of a Tornado, the British fighter aircraft. Sitting inside the

Venturer gave one the feel that he/she was at the controls, flying through the air. The second piece of software was an action program called Miami Chase. The story was fairly short, only three minutes for each program and one turn cost Y700 (\$5.55). There are a total of twenty different titles available for the Venturer and more are planned. Finally, Coca-Cola acted as a sponsor by putting their trademark on the side of the machine. In addition, before the game started, a 30 second commercial was shown. Coca-Cola may take advantage of this new advertising outlet and perhaps help sponsor software production in the future. □



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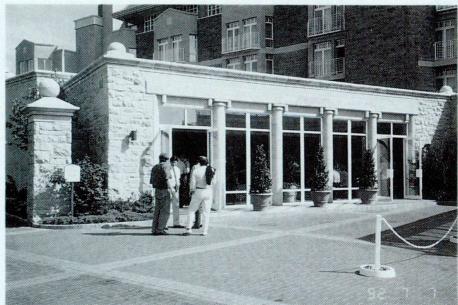
Sega Holds Conference In



"Virtua Racing" was quite popular among the attendees.



Messrs. Ogata (left) and Horii



Sega Enterprises Ltd. held a three day conference from July 7th to 9th in Edinburgh, Scotland. Fifty people from twenty companies in 21 European countries participated. At the conference, Sega announced its new products and held seminars and social gatherings aimed at deepening friendship among the participants.

The dealer's conference is held annually, and once again, this year's meeting was received well by the participants. Sega reports that business negotiations to the end of the year have been concluded and the meeting was very fruitful. Our reporter interviewed Mr. Takenori Ogata, senior managing director of Sega, and Kenji Horii, deputy director of the overseas marketing division, and asked about the overseas markets and Sega's overseas marketing strategy.

"Due to the economic slump, our European business has dropped by about 20%. This is because no new amusement centers have been opened, and the only demand is for replacements for existing machines. The AWP market has shrunk, and operators are reluctant to make new investments. In the past, England was at the top of the European market, followed by Germany and France. In Germany, however, the reformed tax system that levies \$1,000 for each machine and the ban on violent action games has led to a dramatic drop in demand. Therefore, the German market has fallen behind Spain and Italy."

"Although the market is very active these days in Spain and Italy, there are many counterfeit machines, and therefore, the favorable market conditions in these countries does not result in increased orders for Japanese companies."

Operators in Europe rely heavily on machines for income like their Japanese counterparts did ten years ago, and amusement centers that house game machines are not considered an important element in attracting customers. Therefore, their management strategy does not take into account such factors as machine layout, customer service and the atmosphere of their amusement centers into consideration.

"The current situation does not appear good," said Mr. Ogata. "However, the outlook for the future is not bleak. Operators are beginning to realize the need to break out of the current state of affairs, and there is hope that new game centers will open in the future."

There is a clear distinction among makers, distributors and operators, and this distribution system is

Scotland

just one factor that makes it difficult to reform the amusement center industry in Europe. In Japan, major game machine manufacturers are leading the amusement center business by opening and operating modern game centers at a variety of locations. These amusement centers invigorate the market by attracting customers and creating a new market area. In Europe and America, the amusement business hasn't seen much improvement and remains unchanged. Furthermore, home video games are thought to be another element reducing the number of customers at game centers. This can also be overcome by creating a new atmosphere in existing centers and opening new, modern amusement centers, as has been done in Japan. This will attract new customers who never visited game centers before. This same phenomenon is now taking place in Japan.

Messrs. Ogata and Horii added that Sega Enterprises does not limit itself to selling game machines overseas, but is considering ways of expanding the overseas market by raising the awareness of those in the business abroad. The company is planning to open model amusement centers operated under the Japanese management system as concrete examples aimed at revitalizing the market.

In the U.S., Sega opened an amusement center called "Game City" in June of this year, which occupies about 500m² of floor area in the club house of a recently opened Dallas theme park. The amusement center is enjoying good business and Sega plans to open five to ten centers every year to reach a total of about 20 in three years. The company is aiming for annual sales of Y130-200 million (\$1-1.6 million) for each center. Since the amusement facility at Euro-Disneyland in France is also showing favorable results, the same marketing policy is expected to work well in Europe. □



A number of games, including Stadium Cross were displayed.

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Sega Invests In Linguaphone

Sega Enterprises is planning to expand their education related business through Linguaphone Japan, a Tokyo-based company. With the growing trend in language education for infants and children, the idea is to incorporate amusement elements from Sega in teaching materials to create new, distinct products and open new sales routes for toy shops and other businesses. This September, Linguaphone will release English teaching materials for children that use Sanrio characters such as Kerokerokeroppi and Hello Kitty to make learning fun. Current distribution outlets amount to 1,300 to 1,400 stores, including book stores inside department stores and approximately 50 toy stores. The book store route is targeted to expand to 2000 stores by next spring. With these and other new routes planned, the company's goal is to handle the products through 5000 different stores. Sega is also aiming to more than double sales by February, 1995, bringing the amount to Y550 million. Linguaphone has been involved in selling language learning materials to a more mature market, but after continuing poor growth performance, Sega took over the ailing company in 1987. □

Japan's First Wooden Coaster To Be Built

Nishi Nippon Korakuen Co., Ltd., a wholly owned subsidiary of Tokyo Dome Co., Ltd., constructed and began operating Japan's first wooden roller coaster, "Jupiter," in Shirojima Korakuen, Beppu, Oita Prefecture on July 21, 1992. Oita is located on Kyushu, the southernmost of the four main Japanese islands, and Beppu in particular is famous as a spa resort town.

Located at the corner of Shirojima Kogen in the middle of Oita Prefecture, Shirojima Korakuen is a comprehensive leisure complex consisting of a hotel, golf course, and amusement park in an area of about 33, million m². The supporting structure of Jupiter consists of about 60,000 wooden timbers, on top of which flat steel rails are laid. It is known as a camel back type roller coaster because the ride basically goes up and down like a camel's back.

A unique characteristic of wooden roller coaster rides is that the truss construction (a framework consisting of many triangular formations) produces a slight squeak when the roller coaster is traveling at high speed and also provides a subtle cushioning effect. Each 4-person car contains a steel frame and seven of them are coupled to form a train. A chain drive system is used to pull the cars to a height of 42 m, from where the cars descend at a maximum angle of 45 degrees.

There are nearly 100 wooden roller coasters operating in the U.S. However, the Japanese building code, restricting such structures to a maximum height of 13 m, and amusement facility regulations which state that the principal structure should consist of steel frame or steel-reinforced concrete only, did not allow the construction of such roller coasters. However, construction technology for wooden structures and wood processing technology have advanced remark-

ably, and the restrictions on wooden structures have been greatly relaxed, enabling the new wooden roller coaster to satisfy the new regulations.

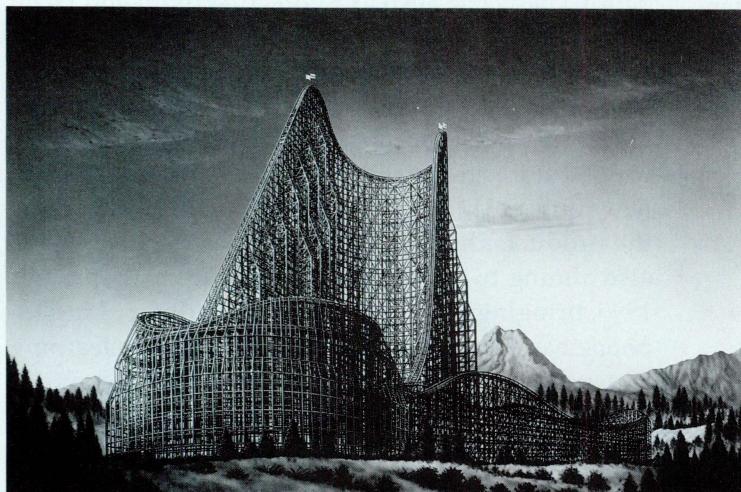
The total investment into this facility was approximately Y2.5 billion (\$19.8 million). The supporting structure uses southern yellow pine from the U.S. The company started planning the roller coaster four years ago. It was designed by Curtis D. Summers Co. of the U.S., and constructed by Intermin Japan. □

Matsushita Goes Dutch With VR

Matsushita Electronics Industries, makers of Panasonic products and owners of MCA Corp. have announced that they plan to set up a Virtual Reality complex at the Huis Ten Bosch amusement complex near Nagasaki [See JAM, August, 1992-Ed.]. This park, the second largest in Japan, is modeled on an ancient Dutch village and is said to be second only to Tokyo Disneyland in popularity.

Matsushita will begin operation of the VR facility after Phase II of Huis Ten Bosch is completed, sometime in 1995. Matsushita will make use of its vast MCA library and the knowledge it has gained from the MCA movie studios and apply this knowledge with the Huis Ten Bosch project. This is the first time that a joint venture of this scale has taken place. Previously, MCA had set up a simulation theater type amusement facility where participants were treated to a VR experience of a roller coaster. This simulation theater, located in Hollywood's City Walk, a large scale amusement facility, drew quite a lot of visitors over the summer holidays.

Additional plans call for the opening of another simulation theater next spring, one based on the popular "Back To The Future" movie series. This movie is part of the MCA software library as well. Visitors will enter a time machine and be able to go back a lot farther than 1955: to the very creation of the universe. According to a spokesman in Matsushita's Development department, the next generation of simulators is on the drawing board and should be ready within three to five years. They will be a step beyond those projects already available. ■



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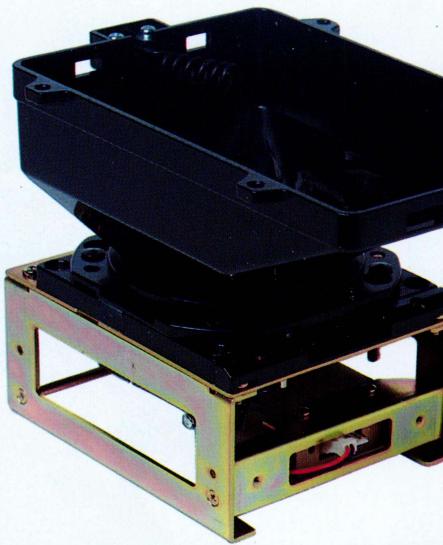
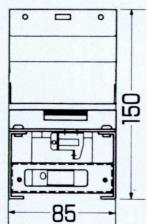
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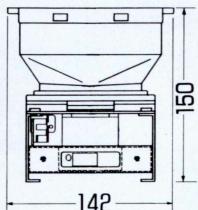
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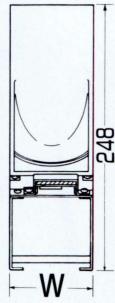
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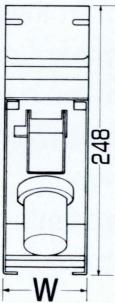
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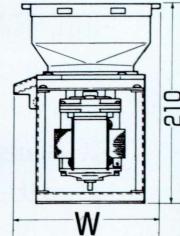
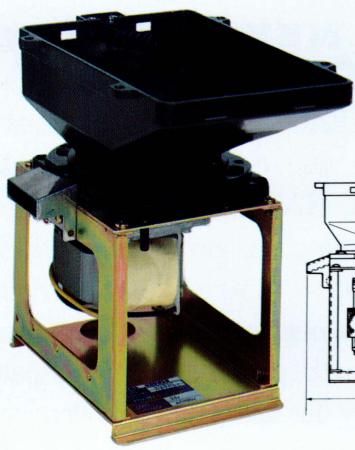
• REAR DISPENSING TYPE

| MODEL No | C3U | C2U | M2U |
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| W (mm) | 76 | 85 | 110 |



• FRONT DISPENSING TYPE

| MODEL No | C3R | C2R | M2R |
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CONSIDER KARAOKE

Part 14: The collapse of the karaoke bubble?

The karaoke industry in Japan now finds itself facing a deep recession. Besides a dull market and a rash of bankruptcies amongst regional operators, some of the major manufacturers have registered more than a 30% drop in sales for 1992, making the boom years seem like a dream. This month, we'll look at possible causes for this state of affairs and see if there is a way out of this crisis.

A sales manager for one of Japan's top karaoke manufacturers had some gloomy things to say about the current state of the industry. "Even for operators who, even a year ago, were taking 10 sets a month from us, we find that we can't deliver even five without taking precautions first. Whether clients like it or not, our staff has to make absolutely sure that the products reach them."

What has happened to the Japanese karaoke market lately? Why does a company balk at receiving large orders anymore? Why are karaoke companies so cautious now? The same manager gave us this answer: "With the recent slump in the market, many operators are really just hard up. Cash management problems are forcing operators, even those with whom we have long-standing relationships, to use so-called 'underground' routes for quick cash conversion, so we have to be cautious about our deliveries."

These words make clear the intensity of the problems currently facing Japan's karaoke operators. There are several reasons for this situation, but most agree that the largest share of the blame rests on the fact that karaoke box boom has gone bust.

The karaoke box boom reached its

height between 1989 and 1991, when the industry was still expanding rapidly. The boom quickly pushed monthly sales figures of karaoke units from 1,000 to 1,500 units per month. And because sales focused on the more sophisticated models with auto changer functions and other costly features, profits for companies specializing in building karaoke boxes actually doubled. Most companies saw sales triple, quadruple, even quintuple over a twelve month period. All good things, though, must come to an end, and by the beginning of 1992, the production of karaoke units fell considerably, causing a drop in operator sales and the current perceived slump in business.

There are other reasons for the sudden boom-and-bust of karaoke, as well. One is the view that, with 9,000 karaoke units already constructed, the market had reached the saturation point where excess units couldn't be absorbed by the



marketplace. In the early stages of the boom, unit production was linked directly with profit, therefore causing a subsequent rush of manufacturing. Now, many of these businesses have been forced to close shop and there is nothing to indicate the industry can offer high returns.

Another underlying cause that cannot be overlooked is the general state of the Japanese economy and related policy decisions at the governmental level. As has been detailed to varying degrees in the media (depending on whether you read *Sports Illustrated* or the *Wall Street Journal*), Japan, until very recently, enjoyed what was

called the "bubble economy." As part of its policy to expand domestic demand, the government implemented an ultra-low interest policy by easing the money market. Low-interest funds were, at the time, concentrated in real estate and stocks, causing artificially large expansions in both areas. Capital derived from these sources was then injected into other areas of the economy and the karaoke industry, a capital-intensive industry by its very nature, was particularly favored. This shot in the arm allowed the industry to expand rapidly and accelerated the rate of penetration.

However, the bubble economy was not destined to last. Last year land prices stopped rising and actually started to drop. This reversal of fortune was then reflected in the stock market, which recently dropped to its lowest point in six years. The banks then responded by revising their fiscal and financial policies from one of financing to one of recovery. All new enterprises, including the karaoke market, faced huge financing cutbacks and there was then a precipitous drop in the number of companies willing to build new karaoke boxes. As an illustration of how bad the market has been hit, consider the following comparison. Previously, a single karaoke system meant, at the very least, Y10 to Y20 million (from

\$79,365 to \$158,730) in sales (and that figure often would balloon up to Y100 million, or \$793,650). Now, if a company receives an order for a single system every two or three months, it is considered to be a respectable sale. The times, they-



have-a-changed.

The situation is worsened by the unfavorable state of the karaoke business itself. In Japan, karaoke equipment is commonly leased rather than purchased. The problem with this is that the rental price

rise, in turn, is passed on the leasing operator, who has found his purchase and maintenance costs almost doubled. Simply put, the new release of karaoke numbers every month sets up a vicious circle by pushing up the price of equipment and thereby delaying investment returns.

The reason why rental prices have not risen is quite simple. The industry is a highly competitive one and the fierce battle for a limited number of locations becomes one of conditions, keeping rental prices depressed.

Furthermore, the collapse of the bubble economy has also had an unfavorable effect in this area. Whether you look at individuals or companies, the fact is that large amounts of capital were invested in stocks and land. Even if the prices are halved, it's impossible to sell those investments off today.

There are some indications that the karaoke market has reached saturation point. Furthermore, the collapse of the so-called "bubble economy" is leaving an effect on many industries in Japan, and karaoke is no exception.

has barely risen in the past 10 years overall and in some places around the country, it has actually declined. While the leasing price has remained unchanged throughout the past decade, karaoke unit production costs have soared. This

Because of this, business conditions are extremely poor. Consumption even for everyday items is also falling off, and even companies that have been amongst the largest and most prosperous in the world are reporting losses. As a result, all

companies are cutting back on their entertainment and related expenses to a large extent, and the high class (read: high-priced) nightclubs that catered to the so-called "expense-account aristocrats" are experiencing a big decrease in sales, leading to a skein of closures.

The closure of these snack bars, and the corresponding effect on operators, is from this loss of customers. It is a troubling situation indeed. Even if the establishment doesn't close down, there has still nonetheless been a drop-off in the number of karaoke customers. The corresponding drop in income from karaoke also means a loss of income for the operator.

In short, the Japanese karaoke industry is facing a major trial. The party, however glorious it may have been, is over, and the karaoke industry is now waking up with one hell of a hangover, something that could also be said for the Japanese economy as a whole. Can the karaoke industry shake off the effects of this hangover?

Many people connected with the industry say "no." The first factor necessary to bring about a revitalization of the karaoke industry is a fundamental recovery of the

"The Japanese karaoke industry is currently going through a big shake-up, and has reached a point where it must revamp how it goes about its business operations."

Japanese economy. Even if this occurs, however, nobody expects a repeat of the karaoke box boom. Only, given the fact that the number of karaoke box customers has continued at the same high level as before the collapse, it seems possible that conditions for these locations will also continue to be good. Furthermore, it is believed that if the demand for new capital makes a comeback, the building of new locations will also make a partial

return, perhaps providing a bit of a jolt to the industry.

On the other hand, although it is possible that customers will come back if there is an improvement in business conditions, this will probably amount to no more than 80% of pre-collapse levels. Even more than this, however, there is the structural problem which the Japanese karaoke industry faces.

In the rental business, the general premise was that rental agreements should last for one and a half to two years. The difference, however, arises between theory and practice. The fundamental problem in the industry today is that there are many that in fact wind up lasting for three years or more. It is also not uncommon for an operator to get bogged down in operations as a result. In such a bad environment, when even the one area that looks healthy, karaoke boxes, is also losing ground, the problem can be said to be serious.

Moreover, as we touched upon in the August installment of *Consider Karaoke*, it seems possible that there may soon be a transition from the current hardware-heavy approach to the use of high-tech transmission equipment from a central location and accompanying reduction in hardware. The fact that operators might make some movement in this direction is leaving some in the industry feeling a bit uneasy.

Whatever the case, it is plainly obvious that the Japanese karaoke industry is currently going through a big shake up, and it seems to have reached a point where it must revamp how it goes about its business operations to reflect the new economic realities. Those connected with the industry are saying, in effect, that the industry has gotten overweight, and for the sake of its health it had better go on a diet. And fast. ■





WORLD UPDATE

Canada: Karaoke Does The Maple Leaf Rag

By John Lawrence, Associate Editor

Canada is vast nation, covering most of the northern portion of the North American continent. Although Britain's Queen Elizabeth II is regarded as the national sovereign, Canada is "equal in status" with its former ruler. Recently, the country, whose integrity has been questioned in the face of a strong separatist movement in the French-speaking province of Quebec, has been working to attract more Asian investment. As we shall see, Canada's efforts have not gone unrewarded.

In many circles, it is very easy to think of Canada in terms of a junior partner of the USA. Both share a common language and history. Bilateral trade between the two nations, already among the strongest in the world, is bound to get stronger due to the new North American Free Trade Agreement, recently signed by trade representatives of the three countries of the continent and now awaiting congressional ratification in the national legislatures of each country.

However, it would be a mistake to say that Canada was entirely dependent on its southern neighbors for trade and business. Over the last few years, Canada has become increasingly attractive to Asian companies looking to invest on North American shores. Despite the fact that much Asian investment has taken place within the past 10 years, this actually isn't a new

development at all. Canada, as a member of the Commonwealth of Nations, has had a protracted relationship with Asia via England. One of England's colonies in particular, Hong Kong, has enjoyed long and profitable relations with Canada. In the past the two nations invested heavily in each other and, more recently, many Hong Kong citizens have moved to Canada ever since the government of England announced in 1984 that it would not renew the 99-year lease the crown has with mainland China that expires precisely at midnight, June 30, 1997. Hong Kong citizens hold commonwealth passports that, technically, allow them to gain citizenship in other commonwealth nations, including Canada. As the 1997 deadline approaches, the number of Hong Kong immigrants is expected to increase. This is an important

point to note in Canada's history because it will radically alter the face of the nation with time. Canada's culture will gradually undergo change as more and more Asian families settle in the nation. In some cases, the influx is already changing the way the nation plays and spends its leisure time.

A new form of leisure comes to Canada

And one of those new ways is with karaoke. Karaoke, one would assume, would be imported directly from its nation of origin, Japan, or the USA, where it has had a significant following for quite some time. That is not the case, however. According to Dan Durbin, general manager of the karaoke section of Pioneer Electronics in Toronto, karaoke took a rather circuitous route to get to Canada.

Karaoke originally came to Canada from Hong Kong. Hong Kong residents, who were introduced to karaoke either from visits to Japan or at various locations in the territories, brought the concept over with them when they came to Canada to visit relatives. With a large Hong Kong Chinese population, Vancouver, a city on the west coast of the nation in the province of British Columbia, gave karaoke its prima-

ry Canadian beachhead.

The first major manufacturer to take advantage of the budding Canadian market was Pioneer. Based in Toronto, Ontario, in the eastern part of the nation, Pioneer Electronics Canada was formed in 1988. Since then, the company has helped spread the word of karaoke and, although it has begun to take off in the larger cities on the southern tier of the nation, such as Montreal, Ottawa, Toronto, and Vancouver, it still hasn't reached the proportions that has been seen in the United States. "We're only about five to seven years behind the states in karaoke," says Durbin. "But that's not bad at all because the market is still relatively pristine."

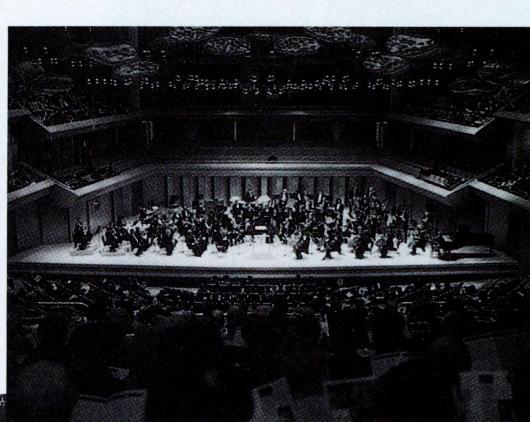
Karaoke in Canada, at this point, generally goes along national and ethnic lines. "Asian families are quite accustomed to karaoke and know what to do when they have a chance to sing, whether at home or in public. Native-born Canadians, though, are literally faced with the idea of karaoke from scratch," Mr. Jean Coutou, a juke-box route operator in French-speaking Quebec said. "Many people don't know what it is yet. I myself heard about it from an associate only recently and I have been in the music business a while!" Interestingly enough, Pioneer supplies only English software in Canada, despite the presence of a large French-speaking minority centered in the province of Quebec. "We've been looking at it," says Pioneer, but "the problem is making it all cost



Toronto, Ontario. Home to Pioneer Canada.



The performing arts are alive and well in Canada. Here, the Toronto Symphony Orchestra performs.



Sharing the border with the USA, Niagara Falls is one of Canada's more popular tourist attractions

effective. We are looking at what French stars would be popular, but we have made no concrete decisions as of yet." The most frequently asked questions at locations that introduce karaoke are: "What is karaoke?" and, after that, "Where do I stand?" On the

Native-born Canadians are learning karaoke from scratch

other hand, Asian families, especially those who have immigrated in recent years, are much more karaoke-literate. Mr. Durbin estimated that, in Vancouver, the ratio of ethnic Chinese families who have a karaoke set of some type in their home is perhaps as high as one in three. "Especially in regard to those people who come here from Hong Kong, karaoke is as much a part of a some households as home computer games are in others. Unfortunately, at the moment, it's much lower among native-born Canadians," he explained.

Since karaoke has not been exposed to the public like it has in the states, much of the market's appeal and potential rests in the ability of karaoke manufacturers



Vancouver,
where karaoke
made its debut
in Canada.

such as Pioneer to get the word out to more of the population. Pioneer has embarked on several PR campaigns to both improve and expand the image of the medium.

Karaoke, then, is generally being promoted with a two-pronged approach that emphasized both the home and commercial markets. Although the home market is pretty well established among Canada's Asian population, many native-born Canadians think of karaoke as exclusively outside entertainment. More and more locations are introducing karaoke in their establishments, but there has yet to be a dedicated karaoke facility in Canada. "Chicago's Star Factory is interesting, but we are waiting to see how it performs before we think of constructing one here. We're definitely interested in doing so, we just want to wait and see," one Pioneer staffer said.

From September 10th to 12th, The Dome, an enormous domed stadium that acts as the home for Major League Baseball's Toronto Blue Jays, became the venue for the Consumer Electronics Show, literally a Canadian CES. The stadium's entire floor area became

187,000 sq. ft of the newest electronic appliances and merchandise. Pioneer was there and displayed a cut-away house that featured three actors, posing as a "family" that has discovered the joy of home karaoke. Said Mr. Durbin, "We're trying to emphasize the home market for those people who may not have known just what can do for them. We want to show them how versatile it is and well it can suit the modern family's lifestyle."

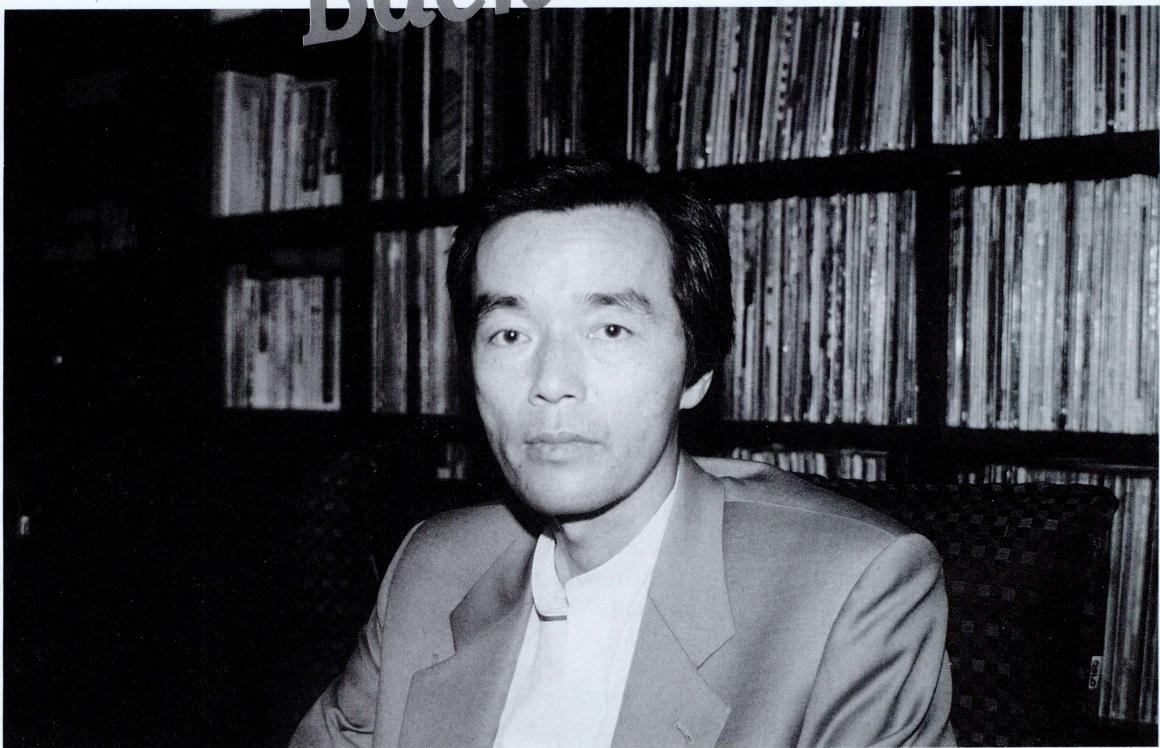
Canada's Economy

The Canadian economy has recently been mired in a recession that has echoed that of the USA. Although the poor business climate may, for the time being, make it difficult for more locations to invest in a karaoke set, it may be a good move for a location. Explained Mr. Durbin, "If people see a karaoke set, they will stay and order more. That will increase the bottom line." One of the problems for most locations, however, is the establishment of the Goods and Services Tax (GST), a flat tax of 7% on virtually everything. The tax makes the operator do one of two things, either increase the prices in the location to cover the cost of the tax, or absorb the tax itself. If the operator raises prices, that may drive some people away. If the operator decides to absorb the tax, that may hurt the establishment.

The Canadian government has not placed any major restrictions on the operation or content of karaoke because the medium is still very young in Canada, however, that may soon change. SOCAN, an umbrella organization that monitors all music playback equipment in the nation, may push for a tariff on karaoke. According to Pioneer's Durbin, the tariff will range from C\$200 to C\$800 (US\$160 to US\$640/Y20,160 to Y80,640) and will probably be implemented sometime by the end of the year. ■

Canada

- Area: 3,851,809 sq. miles
- Population: 26.8 million
- GNP: US\$513.6 billion
- Prime Minister: Brian Mulroney
- Exchange Rate: \$1 Canadian=US \$0.80



SPECIAL INTERVIEW •••

Mr. Masao Kamijo, General Manager, Product Planning, Video Disc Planning Group, Sony Corporation

If you've been following JAM for the past year, you may have noticed that we have written a lot about karaoke manufacturers such as BMB Nikkodo, JVC, and T&M. However, one of the more famous Japanese electronics makers that has been conspicuously absent from the karaoke scene is the Sony Corporation. Although a household word for many consumers, the company hasn't made a lot of waves in the karaoke market. That is about to change as Sony has decided to enter the karaoke market.

At the Summer CES show in Chicago, several US industry representatives were curious about what Sony has in mind for the karaoke market. JAM, as well, was curious, and we sat down with Mr. Masao Kamijo, General Manager of Sony's Product Planning Department, Video Disc Planning Group.

Where was Sony?

JAM: People don't often associate Sony with karaoke, but we hear that's getting ready to change.

Can you tell us a little what Sony is doing in terms of karaoke?

MR. KAMIJO: First of all, rather than introducing technology that can be applied exclusively to karaoke, we have decided to produce a multi-media laser disc player system that can use movie laser discs as well as karaoke for a total home entertainment system. We made the first steps in that direction this past summer

when we released three new Multi Disc Players (MDPs) on the market.

The first item we put out was the MDP-455. This unit went on sale at the beginning of June. It has a base price of Y69,800 (\$556), and we are currently producing around 10,000 units a month. It can play discs recorded in digital sound and offers high quality sound and graphics, and it also comes with a remote control. We also introduced two karaoke units at the beginning of July, the MDP-K15 and the MDP-K5. The MDP-K15 model is the more versatile of the two and goes for Y155,000 (\$1,250), whereas the MDP-K5 goes for Y99,800 (\$804). These units both have remote control operation and can thus handle two wireless microphones simultaneously. Another unique feature of these units is that the karaoke audio output itself can be controlled in one of three ways, either by the unit itself, by remote control or by the mini controls on the microphone itself. One of the other special features of the units is that our karaoke software comes with a guide vocal. It's not meant to be a lead vocal, but simply a guide that will help prompt the karaoke singer,

By pressing the vocal masking button though, the guide will shut off. With the vocal replacement function, the karaoke singer can mute the vocalist's lyrics when he or she starts to sing, but if the singer stops, the vocal track will come in again. Finally, the key controller function can adjust a given song a total of 17 steps flat or sharp to accommodate a particular singer's voice. Our plans now call for approximately 3,000 units a month to be produced for the domestic home market.

JAM: *The products that you just mentioned are aimed primarily for the Japanese domestic market. At the CES show in Chicago, as well as at other shows, many people have been asking "Where is Sony?" in regards to karaoke. We would like to ask you then about Sony's efforts in the international*

karaoke market. What progress has been made thus far and how do you feel about the potential of the worldwide karaoke market?

MR. KAMIJO: In general, I think that Sony, compared to other companies, has lagged behind somewhat in regards to not only the international, but also the Japanese, karaoke market. Now, though, we have finally gotten around to getting into the Japanese market. However, we have released a lot of software that includes songs by young Japanese artists. Why would we concentrate on their songs? Because many of them are with the Sony Music Group and as such, we own the rights to their songs and music. Therefore, we don't have to worry about violating someone's intellectual property rights. Additionally, we have been asked by a number of people from all over the world to get into LDs. Recently, we purchased

Columbia Pictures. However, despite the fact that a lot has happened since then, making use of Columbia's software has been difficult because we just acquired the company and we haven't had the time to develop a proper network yet. As far as laser discs are concerned,

Pioneer is currently distributing laser discs of Columbia releases, however, I think the time has come for us to distribute discs ourselves. This was a decision that was made at the end of last June.

JAM: *If you do that, what will happen to your relationship with Pioneer?*

MR. KAMIJO: Of course, Pioneer will still handle a number of Sony products as we have had arrangements with them to distribute our products for a number of years. But as far as new (movie) titles are concerned, I think that, as I said before, we should get directly involved in disc distribution. Pioneer themselves agreed to this. There is no animosity between the two companies because the new arrangement will benefit both companies. A sample of some of the new titles that we are now producing include "Bugsy," "My



Girl," and, on Dec. 21st, "Hook" will be released on LD. Up until now, we have placed a lot of effort in the production of electronic hardware, but had no outlet for software. Pioneer, on the other hand, is a company that has produced both hardware and software. However, beginning with "Bugsy," we too are going to start to follow this path.

As for the worldwide karaoke market, I visited Europe, America and Mexico last fall and I saw the potential of karaoke in these countries. I strongly feel that there is a lot of market potential there.

Looking a little closer at Pioneer, it is easy to see that they have gone after the international karaoke market and, by now, have essentially locked it up. Therefore, we think that it would be counter-productive to try to do what they have already done. This does not mean that we are ignoring the market's potential, but rather, it indicates that we must enter the market the "Sony" way. That is, we should use those strengths that our company already has to our advantage in order to gain a foothold in the marketplace.

I think that the next big market for karaoke will be in the general retail sector, as opposed to the commercial sectors. I believe this market will grow very strong, especially in Asia. Sony is currently directing a lot of effort to develop this market to its fullest potential. We have seen that potential in countries such as Taiwan, Singapore, Malaysia, Indonesia, and



even possibly mainland China. I have been especially surprised at the results in Indonesia. Even though alcoholic drinks are rarely served in public places, people seem to enjoy singing karaoke anyway.

As for other new markets, I think that the American market is of particular note. It is a very large mar-

ket; Therefore, it's logical to think the potential is equally as vast. Although we haven't yet undertaken any concentrated sales or promotional campaigns in the states, we have introduced our brand of karaoke in Hawaii and selected parts of Canada at the end of June and beginning of July. We are currently watching these two markets very carefully and are waiting to see what the results will be. We have had particular success with karaoke in ethnic Asian restaurants and other places where Asian Americans tend to congregate.

"We produce around 200 English language songs."

JAM: Before we go today, could you tell us how many English language songs are in your catalog?

MR. KAMIJO: Currently, we produce around 200 songs in the English language. This number includes a wide variety of pop songs, such as those by the Beatles. However, the major problem we are encountering with producing and releasing software in the USA is securing the necessary permission with respect to intellectual property rights from the publisher. At the moment, we are trying to work out an arrangement to produce more English language software. Once we accomplish that, I think things will go much smoother for us.

Sony Corporation

Established: May, 1946

Head Office: Shinagawa-ku; Tokyo

Domestic Affiliates: 48 domestic subsidiaries and affiliates.

Overseas Affiliations: Nine affiliates in North America, three in Central and South America, 17 in Europe, one in the Middle East, and eight in Asia and Oceania.

Net Sales: Y3,821.6 billion (\$30,819 million) for the fiscal year that ended March 31, 1992.

Net Income: Y120 billion (\$967.7 million)

R&D Expenditures: Y240.5 million (\$1.9 million)

Number of Employees: 119,000

NIKKODO

Karaoke Hardware Guide

Nikkodo is truly making karaoke international. The company, through its various overseas affiliates, has sponsored a variety of karaoke events.

LV-1500S

Making extensive use of digital technology, the LV-1500S combines advanced laser disc play functions with high definition visual image and digital sound processing technology.

The unit has three main digital function, all of which combine to make for top quality, professional images.

The first of these is the Digital Time Base Corrector (TBC). It reduces color inconsistencies, shifting, jitter and other video mishaps that stem from disc warping or other eccentricities. As a result, video reproduction is sharp and clear, the way it should be.

Then there's the Digital Dropout Compensation function. Here, the unit automatically compensates for any signal loss that may occur due to scratches or other damage on the disc. Lastly, there's the Digital Video Noise Reduction function. Digital power is used to separate video images from background interference for a clearer picture.

For more information, write to BMB Nikkodo at Osaka-shi; Nishi-ku; Kitahorie 3-12-1 550 JAPAN.



ATTENTION: The unit we featured on this page last month, the SL-R70, is sold only in Japan. We regret and apologize for any inconvenience caused by this error.

JVC

JVC is a relatively young company, but still is a growing force in the karaoke market. The firm has been an innovator in the field of karaoke and this month, you'll see why

XL-GM800

Suitable for home or commercial use, the XL-GM800 is a multi-drive CD+Graphics unit that has a wide range of functions

First, it boasts a "six-shooter," a magazine that can hold six discs and ready them for play, plus one single tray, making for a total of seven CDs that can be in operation at any one time.

Next there's a lyrical superimpose function. With your own video footage of, say, your mother-in-law's birthday party, you can play your favorite karaoke CD and superimpose lyrics over the whole scene.

And that's not all. There's also digital echo and key control, vocal replacement, vocal masking (a function that we've all needed from time to time, right?), karaoke repeat practice and a digitally processed "concert" effect mode. The repeat practice mode is of particular note here, because it allows you to repeat a desired segment of a song in order to get it perfect for public performance.

For more information, please contact JVC Company of America at 41 Slater Drive; Elmwood Park, NJ 07407 USA.



KARAOKE SOFTWARE

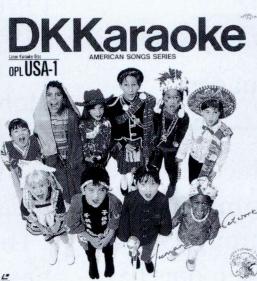
RELEASE LIST

The Karaoke business is now gaining ground in countries all over the world and the introduction of new software is indispensable. However, the amount of software sold up until now has been rather limited. Listed below we offer you a general outline of the types of software that are available.

- KEY** **L**=Laser Disk **C**=CD Graphics **V**=Video
Cassette ① Title ② Number of titles ③ Number of songs per title ④ Total number of songs ⑤ Main sales area ⑥ Purchasing agent ⑦ Special Characteristics

DAIICHI KOSHO CO., LTD.

- ① DK KARAOKE
- ② L ● OPL series: Korea-32, U.S.A.-12, Taiwan-2, Philippines-2, China-4 ● DVK series: U.S.A.-15 ● MAL series: Indonesia-9, Thailand-7, Hong Kong-3, Viet Nam-2, Malaysia-6, Korea-9, U.S.A.-5, Taiwan-9, Philippines-8 C ● MAG series: U.S.A.-5, Indonesia-10, Taiwan-4, Malaysia-6, Thailand-4 ● OPG series: Korea-20 ● DKG series: U.S.A.-53
- ③ L ● OPL: 30 songs (Taiwan-28) ● DVK: 28 songs ● MAL: 13 ~30 songs C ● MAG: 12 songs (U.S.A., Taiwan-16) ● OPG: 15 songs ● DKG: 18 songs
- ④ L 3,520 C 1,638
- ⑤ North America, Asia, Europe
- ⑥ Can purchase directly from headquarters, overseas agents or local distributors.
- ⑦ All songs digitally recorded. Song lyrics are both easy to see and easy to sing. Beautiful, relaxing images add to the songs enjoyment and provide the songs with original images. You can select from a wide variety of your favorite songs.



JVC (Japan Victor Corp.)

- ① JVC CDG KARAOKE
- ② C U.S.A.-60, Taiwan-52, Thailand-20, Indonesia-20, Korea-40, Malasia-6, Japan-40
- ③ For the American market-10, Other-16
- ④ About 3,000 songs.
- ⑤ North America, Taiwan, Thailand, Indonesia, Malaysia, Japan, etc.
- ⑥ JVC local dealers (Initial sales will be centered on electrical appliance dealers.).
- ⑦ Low priced CD-G karaoke software. Perfect for pubs, bars, and home parties. In addition song lyrics can be superimposed on a video screen by use of VCR.



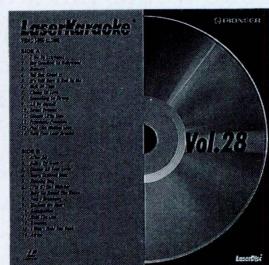
NIKKODO CO., LTD.

- ① BMB KARAOKE
- ② L ● LAV series: English-7, Hong-Kong-10, Thai-11, Spanish-1, Philippines(Tagalog)-5, Korean-34, Korean Chapel-1 ● PLD series: Taiwan(Fujianshenges and Peijinsese)-67, Indonesian-10 ● MLD series: Taiwan songs with multi-audio function-10 ● KLD series: China-28 ● ILAV series: Italian-1 ● FLAV series: French-1 C ● SAV series: Korean-43, Philippines(Tagalog)-3, Spanish-3, English-20, Country Music-5, Gospel-1
- ③ L 28 songs (30 French and Korean chapel songs) C 19 songs
- ④ L 5,068 songs C 1,425 songs
- ⑤ U.S.A., Japan, Hong Kong, Korea, Latin America, Singapore, Thailand, Philippines and throughout Asia, Also Spain and other European countries.
- ⑥ All Nikkodo's subsidiaries, branch offices, and agents
- ⑦ A large number of popular and standard songs in a multitude of languages make Nikkodo a leader in international software. Attention is paid to the development of high sound and graphic quality.



PIONEER LDCA, INC.

- ① WKL series
- ② L Regular selections-34, Special series UK Hits-7, Spanish-1, Country Folk songs-1 and Christmas/Nursery rhymes-1
- ③ 28 songs
- ④ 1,232 songs
- ⑤ U.S.A., Canada, England, and Singapore
- ⑥ Purchase through those dealers of the company's software including record, instrument, and karaoke specialty shops.
- ⑦ Systematic karaoke which boasts a high graphic and sound quality and which is made in America. It is characterized by abundant song repertoires of everything from old songs to Michael Jackson to Madonna.



TECHNICAL & MODERNITY, INC.

- ① VOCOMOTION
- ② L 21 V 5
- ③ L 28 V 6
- ④ L 588 V 30
- ⑤ U.S.A., Canada, England.
- ⑥ L In America and Canada: Technical & Modernity, Inc. Elsewhere: T & M Co., Ltd.
- ⑦ Hit songs from the 1950's through the 1980's specially planned and compiled for overseas users. The wide variety of songs, everything from Country & Western music to Rock, adds enjoyment to any party.



BMB Karaoke Room

Osaka-shi; Kita-ku
Chaiyamachi 3-4

A truly international karaoke
location

Umeda, a district in the northern part of Osaka, is one of the city's busiest sections. There are no less than six commuter rail or subway lines that criss-cross the area, making the area an important terminal and transit hub. Additionally, the area is home to some of Osaka's finest hotels, such as the Hilton, the Dai-Ichi and New Hankyu, that cater to business and executive travelers. As such, hundreds of thousands of businessmen, secretaries, travelers and others pass through the area every day. After hours, Umeda's neon signs turn night into day as the area turns into a massive conglomeration of bars, nightclubs and restaurants.

With surroundings such as this, one would think that Umeda would also be prime spot for a nest of karaoke locations, but actually, the BMB Karaoke Room, located to the immediate east of Hankyu Umeda station is the only such location within a 750-meter radius. Occupying the sixth and seventh floors of an eight-floor building, the BMB is also unique in that it doesn't rely on a lot of neon signs or other bright advertising devices to draw attention to the location. Except for a small electric sign in front of the building and a life size poster of a girl singing karaoke, there's almost nothing to indicate that this is north Osaka's newest karaoke location.

Opened just this past July 21st, about 250 people a day come to the location, according to Daizo Arimoto and Sachiko Shinoda, the managers of the box. Open from noon till five in the morning

the next day, the BMB Karaoke Room caters mostly to university students and a younger clientele during the daytime, while serving businessmen and older patrons at night, although one of the staff admitted that some office workers "sneak out long enough for a quick song or two" during working hours.

"Theme" karaoke bars, where every room is designed to have a different atmosphere or feel, have become very popular in Japan recently. The BMB Karaoke Room makes extensive use of this

The BMB Karaoke Room's most unique feature is its "International Room," where patrons can order songs in any one of ten languages.

concept and has decorated the location's 18 rooms in nine different designs throughout the location. Some of the rooms have a portable partition that can be taken down to form a "party room" that can accommodate up to 25 people. Most rooms have an individual song library of about 4,000 songs, and the larger ones have a library of up to 5,000 songs. In addition to a multitude of Japanese favorites, any of 415 English language pop songs can be ordered. Patrons can order snacks, such as chips or chocolate and drinks (alcoholic and/or non-alcoholic) via an intercom that connects from their room to the front desk, and on the second floor, there is a self-serve "one-



The ground-level entrance to the BMB Karaoke Room.

shot" bar where customers can order a small glass of their favorite straight drink for anywhere from Y500 (\$3) for a single and Y800 (\$5) for a double.

One thing that sets the BMB Karaoke Room apart from other karaoke locations in Osaka is their "International Room," where customers can program not only the standard 4,000 Japanese songs and 415 English tunes mentioned above, but also up to 924 Korean, 1,484 Chinese, 140 Tagalog, 28 French, 28 Spanish, 28 Thai, 28 Italian, and 95 Country & Western songs, for a total of 7,170 available melodies.

All of the units are self-contained, that is, there is no central control room where an operator oversees the programming. Patrons, either directly or by remote control, program songs in by an alphanumeric code. You have no communication with any of the staff until you leave, unless you order refreshments.

The BMB Karaoke Room also has comparatively inexpensive fees, especially in comparison to other karaoke locations in Shinchi, the south part of Umeda [See JAM, July 1991-Ed.]. Until six in the evening on a weekday, BMB charges only Y1,800 for one CD/LD room for one hour, regardless of the number of people who come along. Larger rooms, such as the Party Rooms go for Y3,600 per hour until six in the evening. After six in the evening, the rates go up to Y3,300 and Y6,600, respectively.

For a good time, call BMB Nikkodo. They know how to treat you right. ■

BMB Karaoke Room - In Pictures



Opening the partition makes one room out of two.



The International Room. Here, customers can order literally thousands of songs in eight languages.



Foreign language software, in the case of BMB, means Spanish, English, Chinese, and even Thai, as shown here.



Mr. Arimoto and Ms. Shinoda,
managers of the BMB Karaoke Box



The One-shot bar. Step right up and order a belt of your favorite drink.



A courteous front desk staff is always eager to attend to your every need.

ATT-A Karaoke Record

Kuala Lumpur's hottest KTV Lounge is also the biggest



"The biggest karaoke TV (KTV) lounge in Southeast Asia." That's what the proprietors of the ATT, a Kuala Lumpur karaoke lounge have billed their establishment. At 60 rooms, each with the potential to seat 30-40 people, there is no doubt that karaoke has become something special. According to GVC, a major karaoke distributor, karaoke has exploded over the past three years and there at least two dozen major karaoke establishments in Kuala Lumpur alone.

ATT draws all kinds of customers. From young professionals to couples to students, Malaysians of all stripes enjoy a night out and a chance to relax in a very "high class" atmosphere, as one manager put it. ATT, like many establishments in Malaysia, relies on BMB (Nikkodo) for the software and the basic components. In addition, there are some National/Panasonic items as well. Recently BMB established a special office in Malaysia to deal with this burgeoning market and the company is one of the few in the karaoke industry to produce karaoke in a wide variety of languages. As Malaysia is a multilingual society, there are songs in Cantonese, Mandarin, Malay, Japanese, and English. The most popular English songs are "Top of the World," "Unchained Melody," and "Smoke Gets in Your Eyes." The customers for these songs are primarily the local populace, but

a fair number of Western businessmen are said to drop by as well.

The cost for all of this revelry is \$10.00 Malaysian, and that includes the basic karaoke charge. ATT, like most karaoke establishments in other countries has a fairly diverse menu, including dinner items such as fried rice and fried noodles, as well as snacks such as cashew nuts. The food is a separate charge. A full range of beverages is also available, including a variety of whiskey, Tiger, a beer brewed in nearby Singapore, and cognac.

ATT especially hops on the weekends. Unlike many other bars and nightspots in many parts of Asia, the busiest times for the KTV lounges are later in the evening. In the case of ATT, management said that the busiest times are usually from 10 p.m. to 1 a.m. Another distinguishing feature of ATT is its lack of "Public Relations Officers," which is simply another word for snack bar hostess. Customers select the songs they want and enter the code number in the computer, which automatically changes disks. All rooms are controlled by a separate, central computer that makes selection much easier and save on labor and maintenance costs.

Since karaoke is still in its infancy in Malaysia, compared to such "advanced" karaoke countries

such as Japan and Taiwan, there is still a need to advertise and to let the public know what karaoke is and what KTV lounges are all about. ATT promotes itself through the mass media, including newspaper and the radio. The advertising campaign is paying off, since the club is now one of the busiest in the city. Not only Malaysians, but quite a number of visiting Japanese and Chinese businessmen also take advantage of its services. "People like to sing," said one manager, "and it doesn't matter what country or culture they are from. Especially here in Malaysia, although people may be shy at first, once they realize how much fun they can have with karaoke, they want to come back with their friends." Although sales figures were unavailable, business is good.

Whether or not karaoke will succeed in Malaysia to the extent that it has elsewhere is still an open question, but it is obvious that ATT, at least, has become one of Kuala Lumpur's most sought after entertainment oases, one that both locals and visitors can enjoy. ■



KARAOKE WORLD NEWS



MONGOLIA

Karaoke In the Land of Khan

Mongolia is a landlocked nation that has been virtually closed to the outside world ever since it fell to Soviet-backed socialists in 1924. However, the country has gradually been opening up since free elections were held in 1990. Now, in an unmistakable sign that Mongolia has begun to catch up with other nations, two karaoke locations have sprung up in the capital city of Ulan Bator. In a recent *Mainichi Daily News* article by Ms. Kaneko Hidetoshi, (*Mainichi Daily News*, August 2nd, 1992, p. 24), she mentions that the first was opened this past June 28th, in the Ulan Bator Hotel in the center of the nation's largest city. Resembling a standard karaoke bar, the hotel charges customers an entrance fee of two US dollars. Once inside, patrons can order imported beer for US\$1.80. According to reports, if you pay two dollars for a drink, you will

receive your "change" in chewing gum, following standard Ulan Bator practice to pay for things in US dollars and receive change in gum. Songs are available in Chinese, English and Japanese. Mongolians are taking to karaoke with a lot of enthusiasm, giving birth to the notion that "once a Chinese gets his hands on a microphone in a karaoke bar, he never lets go."

While the Ulan Bator Hotel provides a stylish backdrop against which to sing the night away, it is perhaps the other karaoke location in Ulan Bator that is the more poignant of the two. It is situated in the headquarters of the Mongolian People's Revolutionary Party (formerly the Mongolian Communist Party). Once a vanguard of a dictatorial Marxist-Leninist political organization, it now houses the "Toronto Bar," a Mongolian-style cafe and bar. Here, a Japanese-made karaoke system goes until late in the night, playing Hong-Kong made laser discs. This location is vastly different than the hotel in that there are no microphones available and only Mongolian rock from audio cassette is played here. Karaoke provides background video entertainment only. In ordinary bars there are still old jukeboxes, but it appears that a karaoke boom could become a

reality if properly introduced. Although no Mongolian language software is currently being produced by any of the major Japanese manufacturers, you can be sure that if the demand is there they will begin production. □



Canadian Karaoke Faces Tax

SOCOM, a special committee that monitors the Canadian music scene recently announced that they were thinking of levying a tax of \$200 to \$800 Canadian dollars on each karaoke unit sold. The tax, if approved by the Canadian government, would no doubt make karaoke much less accessible, especially for the home user. As of press time, there was no word as to whether or not the tax was any closer to becoming law. For a complete update on the karaoke situation in Canada, please refer to this month's *World Update* section.

In recent years, Canada's major cities, including Toronto and Vancouver, have seen a large influx of people from all over the world, but especially Japan. The number of karaoke establishments has also grown, and the future appears very bright. ■

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JAM IS YOUR MAGAZINE.

We take great pride in presenting you, our readers, with this issue of "Japan Amusement Monthly". Along with providing you a diverse range of information about Japan, our "International Trade Journal" keeps you up to date on what is happening in a variety of countries. We invite you to share your opinions with us concerning this section. If you have anything that you or your company would like to see printed in either "New Machine Information" or the "International Trade Journal", please send it via mail or FAX.

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CORRECTION

In the August issue, (Vol. 1 No. 12), on page 74, we referred to the Japan Amusement Parks and Equipment Association as the Exhibition Association. In the September issue, on page 72, President Kazuo Yamada is mistakenly referred to as Toshio Yamada. We apologize for both errors.

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JAPAN AMUSEMENT MONTHLY

Get Carried Away With CD+G Karaoke



JVC Karaoke CD + GRAPHICS



KX-G70
CD + Graphics
Karaoke System

KX-G1
CD + Graphics
Karaoke System

KX-GM800
CD + Graphics Changer Karaoke System
XL-GM800TN Karaoke CD Changer
AX-K800TN Integrated Amplifier
SP-K800BK Karaoke Speaker System

RC-GX7
CD + Graphics System

The ultimate in home entertainment is here — JVC's new lineup of CD + Graphics home Karaoke systems. Because CD + Graphics is exactly what its name says: the digital sound quality of CDs plus colorful graphics including lyrics via TV connection. Just choose the JVC home Karaoke system that's right for you, and get carried away with its advanced set of Karaoke functions. And the KX-GM800, JVC's top-end model, even has a 6 + 1 autochanger, Superimpose, and Digital Key Control for the ultimate in Karaoke fun.

JVC CD + Graphics karaoke software available:

| Type of songs : | Number of songs : |
|-----------------------|-------------------|
| Japanese | 640 |
| Korean | 640 |
| Chinese and Taiwanese | 1116 |
| Indonesian | 416 |

| Type of songs : | Number of songs : |
|-----------------|--|
| Malaysian | 96 |
| Hong Kong | 80 |
| Vietnamese | 32 |
| American | 600 (to be available in 1991) 800 (to be available in 1992) |



JVC

VICTOR COMPANY OF JAPAN, LIMITED

We Set the Stage for Excitement



LaserKaraoke™

Add a fresh breath of life to your business or lounge. With the Pioneer Laser Karaoke system, once your patrons feel sing-along stardom, they'll keep coming back for an encore. It's infectious and fun. And it makes sound business sense.



NEW



The Laser Karaoke system

CLD-V303T (In North America & Asia)

Karaoke's "dead space" is brought to a halt with this two tray synchronized system. To keep the party going, one tray plays while the other searches and prepares the next song. As a result, karaoke selections are continuously ready for play.

The amplifiers have various memory echo and reverb settings that can simulate an intimate jazz club or a massive stadium.



Monitor image is simulated.



With the wide selection of songs available for the Pioneer Laser Karaoke system, your customers can call the tune.

PIONEER ELECTRONIC CORPORATION
4-1, Meguro 1-chome, Meguro-ku,
TOKYO 153, JAPAN

PIONEER LASER ENTERTAINMENT, INC.
2265 East 220th Street, Long Beach, CA
90810 U.S.A.

PIONEER ELECTRONICS
(SINGAPORE) PTE.LTD.
81 Genting Lane #02-02, Everich
Industrial Building, Singapore 1334

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N.V. BRANCH OFFICE
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SAY GOOD-BYE TO SINGLE PLAYERS

BMB
KARAOKE SYSTEMS

SAY HELLO TO THE BMB AUTOCHANGER FOR KARAOKE WITH HIGH PERFORMANCE

JUST RIGHT FOR OUR INCREASING SOFTWARE

Component Autochanger & Command Unit

CD-100M

AUTO MASTER CONTROLLER

CD-100A

AUTOCHANGE PLAYER



The Most Convenient Karaoke System
Ever Manufactured.

SPECIAL FEATURES

- Up to 100 discs can be loaded at one time.
- Programs up to 10 selections-Excluding the song being played.
Programmed selections can be deleted or changed, and new selections can be inserted in any order.
- Comes complete with wireless remote control for convenient operation.
- Contains Magazine Rack System for easy changing of additional discs.
- This can also be superimposed with SAT (CDG) series.
- Music pitch can be controlled at ±5 steps.
- Also has standby mode function convenient for DJs, and song repeat button.
- Fits neatly into any establishments because the autochanger and the command unit are separated components. What's more, even though they are separated components, there is no loss in sound quality due to the digital transmission system.



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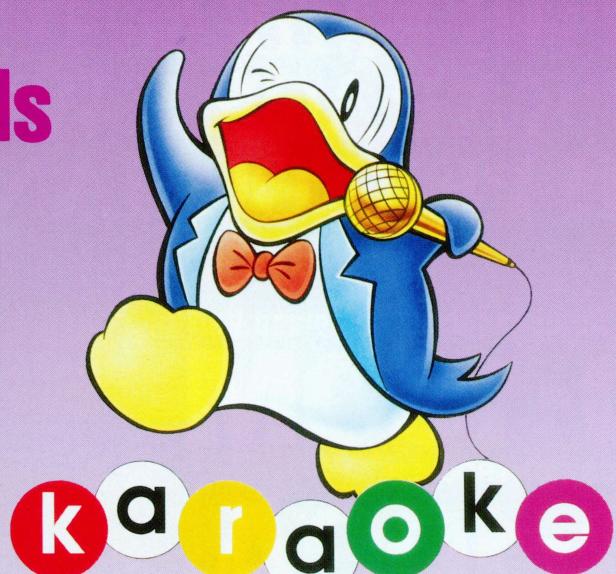
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Laser Karaoke Is Now the Big Leisure Rage.



Multi Laser
Disc Player

LX-K680

Digital Key Control

Adjusts the key of the song without affecting the tempo from either the player unit or the microphone.

Voice Changer

If you forget the melody or lyrics, the voice track automatically fills in.

One-Touch Karaoke*

Lowers the volume on vocals to let you sing along with regular LDs and CDs.

Voice Changer with One-Touch Karaoke*

Combines these two functions to let you enjoy Voice Changer with ordinary CDs and LDs not recorded in Multi Audio.

*Vocals may still be audible with some discs.

Auto Reverse

Automatically plays both sides of a laser disc.

- Stage/Theatre Surround
- Three Vocal Effect Modes
- Magic Voice & Magic Duet
- Multi Voltage Supply (110/127/220/240 V)
- 5-Disc Compatibility
- 20-key Direct Selection
- Digital Time Base Corrector
- MASH# D/A Conversion System
#MASH is a trademark of NTT
- NTSC Signal System



Optional Accessory

RP-VK68 dynamic microphone

—Easy key adjustment while singing.

The RP-VK68 Features...

- Key-Control Switch
- Sing-Again Control Switch
- Unidirectional Microphone
- Impedance 600 ohms
- Colour: Gold/Gray



LX-101

- 5-Disc Compatibility
- Clear Visual Scan with Shuttle
- Digital Time Base Corrector
- Digital Y/C Separation
- MASH# D/A Conversion System
- Single Side Player
- NTSC Signal System



#MASH is a trademark of NTT



Laser Disc

VHS Video Tape

Music knows no bounds. And people's desire to sing is universal.
That's why Vocomotion is appreciated by people the world over.



We help those who sing by providing pleasing sound and images.

So let Vocomotion, the foremost name in sing-along systems, tune you in to the crystal-clear audio technology of Laser Disc and a selection of music to satisfy all tastes. Whether it's the big band sound, middle-of-the-road or contemporary selections, Vocomotion can bring it all to you in the comfort of your living room. So, pick your favorite song, grab the microphone and begin to take part in the rage of the 1990's home entertainment scene.

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SHOOT OUT



An exciting redemption-type shooting alley!
Shoot down the prizes with powerful air rifles!

PARADISE ALLEY



Taito Corporation's PARADISE ALLEY is a redemption-type shooting alley that enables three players to play simultaneously. Players obtain prizes by shooting down the tapes holding them. A variety of prizes can guarantee satisfaction for children and adults alike.

This game is designed to create the ultimate fun and excitement of redemption-type shooting alley for amusement parks as well as amusement centers.

Except for refilling prizes, the game machine does not require additional attendance.

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